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COMMONWEALTH OF AUSTRALIA. *Parliament*

# PARLIAMENTARY DEBATES.

FIRST SESSION, 1920.

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# EIGHTH PARLIAMENT.

FIRST SESSION.

## Governor-General.

His Excellency the Right Honorable Sir RONALD CRAUFURD MUNRO FERGUSON, a Member of His Majesty's Most Honorable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, and Commander-in-Chief in and over the Commonwealth of Australia.

## Australian National Government.

(From 10th January, 1918.)

Prime Minister and Attorney-General	..	The Right Honorable William Morris Hughes, P.C., K.O.
Minister for the Navy .. .. .	..	The Right Honorable Sir Joseph Cook, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Honorable W. H. Laird Smith (28th July, 1920).
Treasurer .. .. .	..	The Right Honorable Lord Forrest, P.C., G.C.M.G.
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (27th March, 1918.)†††
		<i>Succeeded by</i>
		The Right Honorable Sir Joseph Cook, P.C., G.C.M.G. (28th July, 1920).
Minister for Defence .. .. .	..	The Honorable George Foster Pearce.
Minister for Repatriation .. .. .	..	The Honorable Edward Davis Millen.
Minister for Works and Railways ..	..	The Right Honorable William Alexander Watt, P.C.
		<i>Succeeded by</i>
		The Honorable Littleton Ernest Groom (27th March, 1918).
Minister for Home and Territories ..	..	The Honorable Patrick McMahon Glynn K.C. †††
		<i>Succeeded by</i>
		The Honorable Alexander Poynton (4th February, 1920).
Minister for Trade and Customs ..	..	The Honorable Jens August Jensen.†
		<i>Succeeded by</i>
		The Right Honorable William Alexander Watt, P.C. (13th December, 1918).
		<i>Succeeded by</i>
		The Honorable Walter Massy Greene (17th January, 1919).
Postmaster-General .. .. .	..	The Honorable William Webster. †††
		<i>Succeeded by</i>
		The Honorable George Henry Wise (4th February, 1920).
Vice-President of the Executive Council ..	..	The Honorable Littleton Ernest Groom.
		<i>Succeeded by</i>
		The Honorable Edward John Russell (27th March, 1918).
Honorary Minister .. .. .	..	The Honorable Edward John Russell.
		Appointed Vice-President of the Executive Council, 27th March, 1918.
Honorary Minister .. .. .	..	The Honorable Alexander Poynton.
		Appointed Minister for Home and Territories, 4th February, 1920.
Honorary Minister .. .. .	..	The Honorable George Henry Wise.
		Appointed Postmaster-General, 4th February, 1920.
Honorary Minister .. .. .	..	The Honorable Walter Massy Greene.
		Appointed Minister for Trade and Customs, 17th January, 1919.*
Honorary Minister .. .. .	..	The Honorable Richard Beaumont Orchard**
Honorary Minister .. .. .	..	The Honorable Sir Granville de Laune Ryrie, K.C.M.G., C.B., V.D.†††
Honorary Minister .. .. .	..	The Honorable William Henry Laird Smith.††
		Appointed Minister for the Navy, 28th July, 1920.
Honorary Minister .. .. .	..	The Honorable Arthur Stanislaus Rodgers.***

\* Appointed 26th March, 1918. —† Removed from office, 13th December, 1918. —\*\* Resigned office, 31st January, 1919. —†† Appointed 4th February, 1920. —††† Resigned 3rd February, 1920. —†††† Resignation from office gazetted, 16th June, 1920. —\*\*\* Appointed 28th July, 1920.

## Senators.

(From 1st July, 1920.)

President—Senator the Honorable Thomas Givens.

Chairman of Committees—Senator Thomas Jerome Kingston Bakhap.

* Adamson, John, C.B.E. (Q.)	* Glasgow, Sir Thomas William, K.C.B., C.M.G., D.S.O. (Q.)
Bakhap, Thomas Jerome Kingston (T.)	* Guthrie, James Francis (V.)
* Benny, Benjamin (S.A.)	Guthrie, Robert Storr (S.A.)
Bolton, William Kinsey, C.B.E., V.D. (V.)	Henderson, George (W.A.)
* Buzacott, Richard (W.A.)	Keating, Hon. John Henry (T.)
* Cox, Charles Frederick, C.B., C.M.G. (N.S.W.)	* Lynch, Patrick Joseph (W.A.)
Crawford, Thomas William (Q.)	Millen, Hon. Edward Davis (N.S.W.)
De Largie, Hon. Hugh (W.A.)	* Millen, John Dunlop (T.)
* Drake-Brockman, Edmund Alfred, C.B., C.M.G., D.S.O. (W.A.)	* Newland, John (S.A.)
* Duncan, Walter Leslie (N.S.W.)	* Payne, Hon. Herbert James Mockford (T.)
Earle, Hon. John (T.)	<sup>2</sup> Pearce, Hon. George Foster (W.A.)
* Elliott, Harold Edward, C.B., C.M.G., D.S.O., D.C.M. (V.)	<sup>1</sup> Plain, William (V.)
Fairbairn, George (V.)	Pratten, Herbert Edward (N.S.W.)
Foll, Hattil Spencer (Q.)	Reid, Matthew (Q.)
<sup>2</sup> Foster, George Matthew (T.)	<sup>1</sup> Rowell, James, C.B. (S.A.)
* Gardiner, Albert (N.S.W.)	* Russell, Hon. Edward John (V.)
* Givens, Hon. Thomas (Q.)	Senior, William (S.A.)
	Thomas, Hon. Josiah (N.S.W.)
	* Wilson, Reginald Victor (S.A.)

1. Appointed Temporary Chairman of Committees, 21st July, 1920. 2. Elected 13th December, 1919 Sworn 21st July, 1920. 3. Appointed Temporary Chairman of Committees, 26th February, 1920. \* Elected 13th December 1919. Sworn, 1st July, 1920.



sum to put up buildings which would accommodate all those whose services are necessary to carry on the work of the Federal Capital. The Government cannot shift a solitary Department from any of the capital cities at present if they are going to spend only the amount proposed here over a period of five or six years. Every member who stands for economy should oppose the spending of this money at the present time. I support the amendment of the honorable member for Bass for a reduction of the Estimates by the amounts mentioned.

Mr. JOWETT (Grampians) [11.11].—I support the amendment of the honorable member for Bass, but I am lost in amazement at the conspiracy of silence of those who are prepared to commit the people of Australia to such an expenditure at this juncture in our affairs. Day after day, our party in this corner has listened with delight to the eloquence of honorable members on the other side, even when they have been denouncing what they consider to be the extravagance of the Government in various directions.

Mr. CHARLTON.—And we have noticed how consistently you have voted for them.

Mr. JOWETT.—I have voted, as the honorable member truly says, consistently according to my belief and judgment, and to the responsibilities that attach to a member of this Parliament. It is obvious that there has been a conspiracy to rush this thing through in the quickest possible time, without members being given an opportunity to debate a matter which is of the utmost importance to the whole of the people of Australia. At this late hour I should like the consent of the Minister in charge of the business to continue my remarks to-morrow. It would be an absolute disgrace if this item were to be passed at the midnight hour without members opposed to it being given a real opportunity of placing their views before the House and the people.

Sir JOSEPH COOK.—I should like to make an explanation.

Mr. JOWETT.—Can I sit down without losing my opportunity to speak?

The CHAIRMAN.—Yes.

Sir JOSEPH COOK (Parramatta—Treasurer) [11.15].—There is not the slightest desire on the part of the Government to rush this proposal through without reasonable debate, but we have done very little work this week, and I am

anxious to get on with a Taxation Bill, which means revenue to the Government.

Mr. JACKSON.—To help to pay for this proposal?

Sir JOSEPH COOK.—Will honorable members help us to put the Post and Telegraph Rates Bill through to-night? I am suggesting the discussion of that Bill, in place of the debate on the Federal Capital, which can be taken to-morrow.

Mr. CHARLTON.—We are not agreeable to taking the Post and Telegraph Rates Bill to-night. We intend to debate it.

Mr. LAVELLE.—Do you think you will get that Bill through to-night?

Sir JOSEPH COOK.—Yes.

Mr. LAVELLE.—Not unless you sit all night.

Sir JOSEPH COOK.—I think we ought to sit all night, as we have done no work this week. Yesterday was only a half day. The only object I have is to get the work done. I do not want to refuse the request of the honorable member for Grampians, because the matter before the Committee is important, and I take it that there is no desire to rush it through without proper consideration. Nothing can be gained by appearing even to burke discussion on it.

Mr. HECTOR LAMOND.—It has had fifteen years' consideration.

Sir JOSEPH COOK.—It has had twenty years' consideration, but a number of members who are here for the first time apparently want to debate it. Can we get an agreement to get the Loan Bill through to-morrow?

Mr. HECTOR LAMOND.—What about the Post and Telegraph Rates Bill?

Sir JOSEPH COOK.—I want one thing settled at a time. I suggest that we go on to-night. I do not care if honorable members continue the debate until 3 o'clock to-morrow.

Mr. JOWETT (Grampians) [11.19].—We have no desire to prolong the debate, but our view is that a measure of such importance to the whole of the people should not be rushed through without adequate discussion. It is obvious that there can be no adequate discussion on the item at this hour of the night. So far as I am concerned, I think that we can get through to-morrow.

Mr. WEST.—You are not the Leader?

Mr. JOWETT.—I know I am not.

Mr. WEST.—Then sit down.

Mr. CHARLTON (Hunter) [11.21].—I want to know where we stand, and I



remind the right honorable the Treasurer that there is another side to this question besides that put by honorable members of the Corner party. My Leader has gone home on the understanding that we would put the Estimates through to-night; and it would not be fair to those members of our party who have gone home, to deal with the Post and Telegraph Rates Bill.

Sir JOSEPH COOK.—Cannot we agree to decide this matter by 3 o'clock to-morrow afternoon?

Mr. CHARLTON.—I do not mind what arrangement is made, so long as we do not take the Post and Telegraph Rates Bill to-night, because we are going to fight that measure. We are prepared to allow the schedule, including the Canberra vote, to go through without delay; but we are not prepared to take the Postal Bill.

Sir JOSEPH COOK.—Very well; let that go.

Mr. MACKAY (Lilley) [11.22].—I rise for the purpose of supporting the amendment, and wish to say—

Mr. JOWETT.—Mr. Chairman, have I forfeited my right to speak?

The CHAIRMAN.—The honorable member suggested that the Treasurer should report progress, and the honorable member for Lilley has now risen for the purpose of discussing the amendment.

Sir JOSEPH COOK.—Subject to this Bill going through by 3 o'clock to-morrow, I shall adopt the suggestion of the honorable member for Grampians.

Progress reported.

House adjourned at 11.24 p.m.

## Senate.

*Friday, 24 September, 1920.*

The PRESIDENT (Senator the Hon. T. Givens) took the chair at 11 a.m., and read prayers.

### WAR PENSIONS.

Motion (by Senator KEATING, for Senator ELLIOTT) agreed to—

That a return be laid on the table of the Senate showing—

1. The number of war pensions paid to the following dependants of deceased commissioned

officers of the Australian Imperial Force:—  
(a) Widows; (b) widowed mothers; (c) parents (including foster parents, but exclusive of widowed mothers); (d) children.

2. A table of comparisons of the amounts of war pensions and allowances for the dependants of the various ranks from private upwards.

### APPROPRIATION (WORKS AND BUILDINGS) BILL 1920-21.

Bill received from the House of Representatives.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [11.3].—I move—

That so much of the Standing and Sessional Orders be suspended as would prevent the Bill being passed through all its stages without delay.

In submitting this motion, I wish to make it quite clear that the right of honorable senators to speak on the Bill will in no way be limited. I make a promise to that effect. Unless more work is sent along from another place, it would be advisable for the Senate to adjourn over next week, because it would be very inconvenient and unnecessary to call honorable senators back from distant States for merely formal business. It is in the interests of the convenience of honorable senators generally that I ask them to carry this motion, which I undertake will not, if carried, limit their right to speak at any length they please on the Bill.

Question resolved in the affirmative.

Motion (by Senator RUSSELL) proposed—

That this Bill be now read a first time.

Senator EARLE (Tasmania) [11.5].—Mr. President—

The PRESIDENT (Senator the Hon. T. Givens).—Order! This motion cannot be debated. It is only in the case of financial Bills, which the Senate may not amend, that discussion is allowed on the motion for the first reading. This is not a Bill of that character. The Senate may amend this measure.

Question resolved in the affirmative.

Bill read a first time.

### NEW GUINEA BILL.

#### THIRD READING.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [11.8].—I move—

That this Bill be now read a third time.



I promised Senator Keating that an opportunity would be afforded prior to the passing of the Bill to reconsider the provision made with regard to the length of time during which Parliament will be able to take action for the disallowance of any regulation or Ordinance. It was stated that in the Bill the time was limited to fifteen days, but I find, on looking into the matter, that the reference is to fifteen "sitting" days, and in ordinary circumstances that would cover more than forty-two days, the period suggested by Senator Keating. The Senate seldom sits for more than three days in each week, and, therefore, fifteen "sitting" days would cover five weeks, within which time action might be taken for the disallowance of any regulations or Ordinance. In the circumstances, as it is clear that the provision meets the wishes expressed by honorable senators, I do not propose to take any further action in the matter.

**Senator KEATING** (Tasmania) [11.10].—I raised this question yesterday, not on clause 14, which is the provision dealing with Ordinances, but on a prior clause, in which some reference is made to the power of this Parliament to legislate indirectly by vetoing Ordinances submitted in connexion with the administration of these Territories. I see that, as the Vice-President of the Executive Council (Senator Russell) has pointed out, clause 14 provides that either House of Parliament may pass a resolution, of which notice has been given, for the disallowance of any regulation or Ordinance within "fifteen sitting days" after such regulation or Ordinance has been tabled. That would ordinarily mean, as the Minister has pointed out, a longer period than forty-two days, which I suggested should be the time allowed from the time that any Ordinance was tabled, within which action might be taken. I think that all honorable senators are of opinion that fifteen consecutive days would not give members of this Parliament a proper opportunity to take action when considered necessary for the annulment of an Ordinance, but fifteen sitting days will cover a much longer period.

**Senator PRATTEN**.—It will probably cover five weeks.

**Senator KEATING**.—Yes. In the circumstances I think that it is clear that the provision in the Bill meets the view

of this matter expressed in the Senate. It certainly meets my objection, and I shall not, therefore, oppose the third reading of the measure.

Question resolved in the affirmative.

Bill read a third time.

## WESTRALIAN FARMERS AGREEMENT BILL.

### SECOND READING.

Debate resumed from 23rd September (*vide* page 4889), on motion by Senator RUSSELL—

That this Bill be now read a second time.

**Senator WILSON** (South Australia) [11.13].—I wish, first of all, to congratulate Senator Pratten upon the very far-reaching address which he delivered in the Senate yesterday on this Bill. At the same time, I am sure that honorable senators will agree with me that it would have been far better if that speech had been delivered two or three years ago, prior to the Mother State undertaking such an enormous proposition as that to which she is committed in connexion with the wheat-handling scheme. It is astonishing that before one bushel of wheat has been put into the silos erected in New South Wales, Senator Pratten should come forward to explain in detail that the bulk handling of wheat is doomed to failure. Since the scheme was put into operation in New South Wales, we may assume, after reasonable inquiry, honorable senators have received no new light to guide them in this matter. At that time we had the benefit of reports of Royal Commissions in different States on the subject of the bulk handling of wheat, and we know that people who had travelled in various parts of the world came back to tell us that the producer must put his produce in a marketable form, and handle it economically, if he is to compete successfully with producers in other parts of the world.

We have been informed by Senator Pratten that this scheme is doomed to failure. The honorable senator went exhaustively into figures, which I am not going to attempt to dispute. The Bill now before the Senate embodies the principle of co-operation, which the farmers of Western Australia ardently prefer to State control. I am glad to see that they have



adopted this attitude, because past experience has shown that neither Federal nor State Governments are able to handle huge business propositions in a thoroughly satisfactory and economical manner. Extensive commercial undertakings of this character cannot be effectively controlled by the Federal Government or by State Governments, because the personal interest and oversight which is so necessary is lacking. Many of the farmers in Western Australia, which is a wonderful State, are young men who are prepared to put their money into this undertaking, because they realize that it is in their interests. Senator Pratten, in dealing with this question in an exhaustive manner, relies very largely upon the statements made by the honorable member for Swan (Mr. Prowse) in another place. We all realize that Senator Pratten is a financial genius, and we are under a debt of gratitude to him for the information he has given concerning certain contracts. It is amazing, however, to realize that the representatives of the firm mentioned have been able to travel from one State to the other, and sell their plans and specifications to the tune of £20,000. In a federated Australia, such a position is absolutely absurd, and if we were federated in the truest sense, it would have been sufficient for one Government to have made the purchase.

Senator SENIOR.—Yes, the Federal Government.

Senator RUSSELL.—They were purchased by the States before the Federal Government entered into this arrangement.

Senator WILSON.—Perhaps so; but it is ridiculous to think that different States are paying £20,000 for similar sets of plans. A few years ago the South Australian Government purchased plans from the same firm, and they have been pigeon-holed. When the question is thoroughly investigated, I think it will be found that the plans which have been recently sold are similar to those which were submitted to the South Australian Government.

Senator DUNCAN.—Experience teaches.

Senator WILSON.—Yes; and we are going to learn from New South Wales. If we enter into a loose contract, the onus will be on Western Australia, and not on the Federal Government. Mr. Prowse

has gone very carefully into the system, and, knowing the wishes and requirements of the farmers in Western Australia, he believes that the action they are taking is a wise one. He is satisfied that the proposition is sound, because he is investing £1,150 in the scheme. I am sure that the honorable senator, who criticised this proposal so severely, is not prepared to invest a similar sum in the New South Wales scheme. The Western Australian farmers are desirous of working on a co-operative basis, and it is the desire of the Federal Government to assist them in every way. We have been informed by the Prime Minister (Mr. Hughes) from time to time, that if our financial position is to improve, we must produce to a greater extent.

Some time ago a South Australian Royal Commission investigated the question of bulk handling, and reported as follows:—

Your Commissioners are impressed with the advantages that voluntary co-operation presents as a means for the successful marketing of produce, and are of the opinion that the adoption of this principle by the farmers, coupled with the command of the best skill obtainable, would secure to them the maximum return for their produce. Your Commissioners believe that the further extension of the principle of co-operation to the marketing of wheat would materially assist to render the farmers more independent of the honorable understanding than they are at present.

Senator ROWELL.—Did not the manager of a large co-operative concern in South Australia have something to say on the question?

Senator WILSON.—Yes; and Mr. Badcock approves of bulk handling in a modified form. He does not condemn the system. I, too, am prepared to support bulk handling in a modified way, because it is impracticable to handle the whole of the wheat produced in Australia under this system, and any one who suggests that that should be done is speaking utter nonsense. In many of our newly settled districts railway sidings are placed 2, 3 or 4 miles apart to save the farmers' time in carting, and it would be absolutely impossible to have silos and elevators at every railway siding. There is, however, no reason why they should not be constructed at terminal points, so that the bags could be used over and over again.

Senator BAKHAP.—In the same way as ore bags are used.



Senator WILSON.—Yes. Consider the expense that would be saved in sewing bags and handling the wheat in and out of the sacks. The Commission goes on to say—

Among the advantages claimed for the system of bulk handling are—

- (a) Saving in the use of bags.
- (b) Cheaper handling between the farm and the export wharf.

Senator Pratten does not agree with that. I am quoting from the report of a Commission, of which, I believe, Senator Newland was a member, which travelled over the whole Commonwealth. The report continues—

- (c) Expeditious loading of boats and cheaper sea freight.
- (d) Expeditious use of railway rolling-stock.
- (e) Prevention of waste.
- (f) Higher prices through grading and better cleaning.

Every man who knows anything about the wheat trade in Australia must realize that we shall have to do something on these lines to enable us to secure a standard quality.

Senator PRATTEN.—But we are already getting a higher price than our competitors in foreign markets.

Senator WILSON.—I believe we do get a higher price, but that is no reason why we should not endeavour to secure a still more satisfactory return.

Senator FAIRBAIRN.—We are not doing very well in South Africa.

Senator WILSON.—Perhaps not, but that is a phase of the question with which the Vice-President of the Executive Council (Senator Russell) will probably deal.

Senator RUSSELL.—There is also the difference between the cost of buying new iron and timber to protect the wheat. We purchased iron at £60, and had to sell it at £30 per ton.

Senator WILSON.—That is quite true. But that material was purchased in abnormal times. Honorable senators doubtless realize that the initial cost in connexion with the erection of silos will be tremendous, but it will meet the position for many years to come.

Senator RUSSELL.—This system will prevent the development of abnormal times.

Senator WILSON.—Very largely. But the Vice-President of the Executive Council must see that it would have been impossible during the last four or five

years to have handled the whole of our wheat in bulk, and we have to consider how bulk handling would assist the producers in normal times.

As many of us believe in co-operation, we should be prepared to assist those who are prepared to put their money into a scheme of this character. Senator Pratten takes exception to the work being done on a co-operative basis, and suggests that it should be undertaken through the medium of the State Government. I understand that the Western Australian Government were prepared to put £800,000 into the work, on the understanding that it would be conducted as a State enterprise. If Senator Pratten was working fifteen hours a day to get a crust, would he be prepared to throw the whole of the work of marketing the commodity he produced on to a State Government? I believe he would prefer to be associated with a co-operative concern in which he could take a practical interest.

Senator PRATTEN.—I believe in co-operation.

Senator WILSON.—The honorable senator is a representative of the State of New South Wales, and is protecting what he believes to be the interests of the taxpayers.

Senator PRATTEN.—And the farmers concerned.

Senator WILSON.—They are the principal taxpayers, as it will be found that when they are excluded there are not many left.

Senator PRATTEN.—I do not go as far as that.

Senator WILSON.—The official figures for the State the honorable senator represents show that the farmers produce 86 per cent. of the wealth of that State, and it is, therefore, fair to assume that they pay at least three-fourths of the taxation.

Senator DE LARGIE.—They do if they get their fair share of the wealth they produce.

Senator WILSON.—But they do not always get it. Through the medium of co-operation the farmers will be able to avoid the charges imposed by the middlemen and the jute manufacturers, who have been getting a fairly large share of the returns from their produce. It is our desire that the farmers should be able to market their produce to the best advantage, and we should assist them when they



are willing to invest their own money. I believe that after honorable senators have given this matter careful consideration, they will realize that they must not be led away by figures.

I now wish to quote from the report of a Victorian Commission which went very carefully into this question. Senator Pratten quoted figures showing that the bag system would mean a saving to the farmers.

Senator DE LARGIE.—But if we give Senator Pratten a few figures he will prove anything.

Senator RUSSELL.—It would be interesting to give us some information from that report, because bags were then 4s. 6d.

Senator WILSON.—I am going to refer to the price of bags. To-day they are costing 16s. 3d. per dozen.

Senator PRATTEN.—How many would the honorable senator buy at that price?

Senator WILSON.—If Senator Pratten will kindly give me his attention for a few moments, these commercial transactions may be completed outside. Let us see how the bag system works out on the basis of 100,000 bags of wheat being stacked at a good country siding. Of course, the prices which I am about to quote are those which obtained under normal pre-war conditions. The cost, honorable senators will understand, would be very considerably more to-day. Now, 100,000 bags at 6d. each would represent £2,500; sewing, at 1d. per bag, would mean £417; the cost of the twine is set down at 10d. per ball; the handling charge at 2d. per bag would amount to £834; so that, if we deduct from these costs the value of the bags sold as wheat, namely £625, we get a total cost of £3,136. I do not know whether bags are still being handled for 2d. each—out of the stack into the truck, and out of the truck into the ship. I think that I would be well within bounds if I said that that work to-day costs 4d. per bag.

Senator RUSSELL.—The whole of our handling work costs 5d. per bushel without bags.

Senator WILSON.—Under the elevator system, covering the whole of the handling charges as enumerated above, the total cost of handling 100,000 bags of wheat would be £1,562, thus effecting a saving to the farmer of £1,574.

These figures have been very carefully collected—

Senator FAIRBAIRN.—Does that calculation include anything in the way of interest upon the capital cost of the silos?

Senator WILSON.—Every detail has been included upon a per bag basis. Of course, I recognise that in Government undertakings the officials often forget that money is worth anything.

The figures which I have quoted convince me that co-operation is the correct principle for our producers to apply to the handling of their wheat. In South Australia we have one of the finest co-operative societies to be found in the Southern Hemisphere, but it is not ready, nor is it in a financial position, to buy the wheat for the coming year. However, the time must come when co-operative societies will handle the wheat crops of Australia, and they must have Commonwealth backing to enable them to compete successfully with private enterprise, and to prevent the middleman coming in between the producer and the consumer to the extent that he does now. Here is Western Australia setting an example for the whole of the Commonwealth. I hope that that example will be followed by New South Wales. I am sure that Senator Pratten in his quiet moments will admit that if the wheat-handling scheme in his own State had been in the hands of keen business men who had a personal interest in the industry, it would have been to the advantage of the producers there. The question of whether the money which it is proposed to provide under this Bill should go through the State of Western Australia to the co-operative society, or whether it should go direct to that society, with the help of the Western Australian Government, which will have to provide several hundred thousand pounds, is not of very great importance. After all, we are merely asked to do what is in the best interests of the producers. It is incumbent that the Commonwealth should live up to the ideal it proclaimed when the Prime Minister (Mr. Hughes) urged that the paramount duty of our people was to "Produce, produce, produce," in order to enable this country to carry the heavy burdens which have been placed upon it during the past few years.



**Senator FAIRBAIRN** (Victoria) [11.36].—I do not remember any question which has come before the Senate upon which I have experienced so much difficulty in making up my mind, as I have experienced in connexion with this Bill. Hitherto, I confess, I have not gone into the question of the bulk handling of wheat. It is a most intricate question, and honorable senators have scarcely been able to sufficiently delve into it at such short notice. I feel that we ought to help this co-operative society in Western Australia. It is a plucky venture, but before committing ourselves to it we ought to inform our minds precisely as to what this business proposition means. I gather from the agreement which is embodied in the schedule to the Bill, that a company is to be formed on the basis of 300,000 shares. The capital to be called up is £150,000. Are we quite clear in our minds that the other £150,000 will be provided? I would like to view the matter as a business proposition. We owe that duty to the farmers of Western Australia as much as to the Commonwealth.

**Senator RUSSELL.**—Sufficient shares have already been issued, and the farmers are going to pay a portion of the balance from the proceeds of the harvest for 1920. There is no question that the money will be forthcoming.

**Senator FAIRBAIRN.**—Are we quite safe in lending this money? Having loaned the co-operative society to be formed in Western Australia the sum of £500,000, we may in the future have the silos handed over to us, and the entire venture thrown upon our hands. We ought to have some evidence that the farmers of the Western State are going to entirely change their method of harvesting their crops. Under the present system, I understand that they use the complete harvester for taking off those crops. These machines will have to be scrapped, and the farmers will have to revert to the old reaper and binder, and to the system of putting their wheat sheaves into a stack.

**Senator SENIOR.**—No!

**Senator FAIRBAIRN.**—I understand, too, that the silos proposed to be erected will not hold more than about one-third of the wheat crop, whereas under the present system the entire crop is ready immediately. The farmer is not now required to store that crop upon his property.

**Senator RUSSELL.**—Fortunately all the crops do not come in at once.

**Senator FAIRBAIRN.**—They are harvested over a period of not more than six or seven weeks. Under existing conditions, whilst he is engaged in harvesting his crop, the farmer cannot spare the time to cart his wheat to the silos at the railway stations.

**Senator WILSON.**—I cart it as quickly as I can put it into bags.

**Senator FAIRBAIRN.**—But the honorable senator is a capitalist.

**Senator RUSSELL.**—The farmer need not adopt bulk handling from the farm to the railways.

**Senator FAIRBAIRN.**—The point I wish to have elucidated is whether this is a good business transaction for the farmers of Western Australia as well as for the Government. I do not suppose that it would cost a great deal for the former to fit up waggons so as to enable them to cart their wheat in bulk to the railway stations. I should like to know whether there is any binding agreement with the Government of Western Australia under which the latter undertake to provide the requisite number of trucks for the carriage of the wheat?

**Senator RUSSELL.**—Yes.

**Senator FAIRBAIRN.**—I hope that it is not a mere verbal promise, but a properly drawn up legal agreement. These are points which we should thoroughly look into. I would like to ascertain what will be the entire cost of the scheme, because probably as soon as the silos have been built, and the farmers have the Commonwealth "in the bag," so to speak, we shall be faced with another demand for financial assistance. It may then be urged, "The Commonwealth has put £500,000 into the venture, and now it has to get that money out of it." Faced with such an alternative, we should either have to close down upon the whole thing, or to find an additional sum of money.

**Senator RUSSELL.**—The honorable senator might think that we are green. Does he imagine that we are likely to make advances in excess of the value of the work that is done? We will advance only about 75 per cent. of the value of that work.

**Senator FAIRBAIRN.**—If the Commonwealth had either to accept useless silos or to spend a considerable sum of



money to make the scheme effective, I think that it would choose the latter course. I have known of many instances in which private individuals have been obliged to act in that way. I well remember how anxious certain people were to get the survey of the so-called desert railway to Western Australia carried out. But immediately that survey was completed they said, "Oh, everything is all right now. The Commonwealth has spent a considerable sum of money upon the survey of the line, and will now have to proceed with its construction." I am afraid that the same thing might occur here, and that, after we had spent a lot of money, we might have to go on with it. The figures brought up by Senator Wilson are now some years old, and I should like to see the matter gone right over again to show what the bulk handling scheme is going to save the farmers of Western Australia as against the cost of the present system.

Senator DE LARGIE.—The only difference that is likely to be shown is that bags to-day are even dearer than when those figures were compiled.

Senator FAIRBAIRN.—That is so. Bags are dearer.

Senator WILSON.—If those figures were anything like correct at the time they were taken out, the position would be even more in favour of bulk handling to-day.

Senator FAIRBAIRN.—I should certainly like to see them gone into again. After all, is there any great hurry for this Bill? The silos cannot be completed until next year. The Senate is not thoroughly *au fait* with the question. Could not the Government agree to adjourn the debate on the second reading for one month, and, in the meantime, appoint a Committee, consisting of the Minister (Senator Russell), as Chairman, Senator Pratten as the representative of the Opposition, and Senator Plain, who has been through this matter from its inception, as the representative of the Ministerial party? That Committee could bring over one or two representatives from the Westralian Farmers Co-operative Society, go into the whole business, and report to the Senate. If I can be assured that it is a proper business transaction, that we are not likely to be called on to provide a lot more money after advancing this £550,000, and that it is a

good thing for the Westralian farmers, my feeling will be to support the Bill strongly, because I entirely agree with Senator Wilson and Senator Pratten that co-operation is the coming method of dealing with all these business affairs.

Senator RUSSELL.—Yesterday you complained that we had made the margin of safety in the penalty clause too great. The usual penal rate in a mortgage is an extra 1 per cent., whereas we provide for an increase from 6 to 10 per cent., and you said that we had been overdoing the good business in the interests of the protection of the Commonwealth. In any case, nearly all the matters that you are dealing with are always left to the Solicitor-General's Department, and are not dealt with by Ministers at all.

Senator FAIRBAIRN.—I quite understand that, but we are not in any great hurry to deal with this matter. The silos are not required until the next crop is harvested. They cannot deal with this crop. We have at least thirteen months before they will need to be completed. Cannot we take one month to satisfy the business instincts of the Senate before we launch out into this scheme? I can quite understand the reasons of the Western Australian Parliament for declining it. Their finances are not in as good a state as we should like, but, after all, is the Commonwealth in such a flourishing financial position? Where are we to get another £550,000?

Senator DRAKE-BROCKMAN.—The Federal Parliament has already agreed to advance £2,850,000 to erect silos in Australia under the Act of 1917.

Senator FAIRBAIRN.—When that Act was passed, we did not owe anything like the money that we owe now. The war was on then, and we passed these things in the most reckless fashion. We were spending millions then, but now we have to take a much more economical view of our position. Still, I feel that we ought to support the farmers of Western Australia. I do not like to turn them down in any way. I think they are on the right lines, but before going right through with the Bill I hope the Minister will see his way to adopt my suggestion for a final look at the whole proposition. It is not a matter of the greatest urgency. I do not know how long it takes to complete a silo, but they cannot be required for another thirteen months. If all these things were gone



into thoroughly the Senate would be doing its absolute duty and might save money to the farmers of Western Australia in respect of many points which possibly they have overlooked. They cannot all have looked into the proposition. I do not know whom they are trusting to do the business for them. I urge the Minister to adopt my suggestion before we part with this money. If we were putting our own money in we would look closely into the business, and endeavour to thoroughly understand every one of these points. I confess that at present I do not understand many of them. I should be prepared to trust a Committee such as I have suggested, with their experience, to go fully into the question. When they reported I should hope that we could see our way confidently to indorse the Government's scheme and to help the farmers of Western Australia, who have behaved in such a plucky manner.

**Senator DRAKE-BROCKMAN** (Western Australia) [11.52].—I may, perhaps, be able to answer one or two of the rather pertinent questions put by Senator Fairbairn. His principal concern is to know what are the chances of these silos coming back on to the hands of the Federal Government. It would, perhaps, relieve his anxiety a little if I told him something about the growth of this co-operative movement in Western Australia. It was started a considerable time ago by the late Mr. Charles Harper, and carried on by his son, Mr. Walter Harper, who has since been associated with practically all the principal farmers in Western Australia. Mr. Basil Murray is now the managing director of the concern. I had a little to do with it before the war. It was very small then, and had only a small number of employees. When I returned and began to look into it about twelve months ago I was amazed to discover that it had grown into an immense concern. It had acquired a very big warehouse, one of the largest buildings in Perth, for the accommodation of its staffs. Large as that building is, it is evident that the company will soon need further accommodation. It is run on the following lines:—There is a separate co-operative concern called the Westralian Farmers Limited. That is the great wholesale body of the farmers of Western

Australia, and is carried on in the city. Attached or subordinate to it there are already eighty-six affiliated companies throughout the country districts of the State, and ten in the bigger centres of population. Thus we have the main wholesale company, and no less than ninety-six subordinate retail concerns all run on a co-operative basis for the benefit of the primary producers of the West. The business men who have created this gigantic concern out of nothing—and they are very keen business men, especially Mr. Basil Murray—are the same men that are contemplating the running of this particular business. If their past success is any guide, it is a pretty considerable guarantee of the success of this venture.

What is it that the farmers undertake to do? The company has a capital of £1,500,000. Practically the whole of the farmers of Western Australia are coming into it, just as practically all of them are already in those other co-operative concerns which have been so successful. The farmers are taking shares on the basis of their wheat production last year and this year. We hope to have a 20,000,000-bushel crop this year in Western Australia. It will be at least somewhere in that vicinity. If that expectation is fulfilled, 20,000,000 bushels of wheat will pass into the Pool, and if every farmer comes in, as I believe he will, an amount of 20,000,000 shillings, or 1s. per bushel, will be contributed by them. From that source £1,000,000, or, at a conservative estimate, £800,000, will be available.

**Senator DUNCAN.**—The total cost of the scheme is estimated at only £800,000.

**Senator DRAKE-BROCKMAN.**—Then the Federal Government are taking no risk. That is the prospect for this year and next year, and the farmers of Western Australia have to dispose of the wheat before they can get hold of the money.

Senator Fairbairn asked what risks the Federal Government were running of losing the money if they advanced it. There is practically no chance of losing it. The farmers of Western Australia, who are practically the only wealth producers of the State, apart from the miners, are almost to a man behind



the concern. Before the Federal Government are to be asked to put up one penny the farmers will spend £100,000 of their own money as an earnest of their intentions. That is number one guarantee. After that the Federal Government are going to supply £550,000. In other words, they are supplying £2 for every £1 put in by the farmers.

Senator PRATTEN.—That is £5 10s. to £1 on those lines.

Senator DRAKE-BROCKMAN.—No; the farmers spend £100,000 before one penny is advanced by the Federal Government, and after that they put up £250,000 as against the Government's £550,000. In addition, the Government of Western Australia are going to provide all the necessary facilities on the railways for the handling of the wheat. Senator Pratten has estimated that this will cost at least £300,000.

Senator PRATTEN.—I do not follow you; I was quoting figures for South Australia.

Senator DRAKE-BROCKMAN.—Very well. The South Australian requirements are similar to those of Western Australia, and while I am not in a position to verify very many of the investigations, I believe they are more or less correct. I hope that Senator Fairbairn is now satisfied that we are not running any particular risk concerning the money to be advanced, in view of the fact that the farmers are putting their own money into it, and are going to spend £100,000 before one penny of the Commonwealth money is touched.

Another question asked, and I think it was rather pertinent, was, "Why did not the farmers of Western Australia approach the State Government for assistance?" Well, the farmers of my State have had a good deal of experience of State controlled industries. They have seen many experiments carried out over there, as well as in other parts of Australia. They know, as well as we do, that what is everybody's business is nobody's business, and this particular proposal is very much their business. This, I am informed, is the reason why the scheme was thrown out in the Upper House of Western Australia by the people who represented their views in that Chamber. The farmers preferred to handle this scheme themselves rather than have it

controlled by the State or Federal Governments.

Senator DUNCAN.—It is rather amazing that people with such strong convictions would deign to use Government money at all.

Senator DE LARGIE.—New South Wales ought to be the last to talk about using Government money.

Senator DRAKE-BROCKMAN.—I would like to remind those honorable senators who think this proposal should not be accepted that in 1917 the Commonwealth Parliament passed an Act for the purpose of advancing to the wheat-growing States of Australia £2,850,000 for the purpose of constructing silos throughout the Commonwealth. The only State that applied for some portion of this money was New South Wales, but if the other States had made application they would, of course, have participated in the arrangement.

Senator DUNCAN.—If Western Australia had applied, that State would have got the money also.

Senator DRAKE-BROCKMAN.—Western Australia, as Senator Duncan has just indicated, could have got some of this money, but for the reasons already indicated the Government did not apply for it. Had they made application the Commonwealth would have been advancing, not £500,000, as in this scheme, but the whole amount required for the construction of silos. Therefore, we, who are the custodians of the Commonwealth purse, are now in a much more advantageous position, because, under this scheme, we shall be advancing hundreds of thousands of pounds less than would have been required under the earlier proposal of the Commonwealth Government. And, further, we have an additional security in the fact that the farmers of Western Australia are putting their own money into the venture. This will be their particular concern, and, of course, they will see to it that they do not lose money over it. If the Western Australian farmers do not lose their money we shall not lose the Commonwealth's money in the transaction. I think, therefore, that there is everything to recommend the scheme as against that approved by this Parliament three years ago.

Senator Pratten gave us a wealth of figures in the course of his criticism, and made an extraordinarily useful contribu-



tion to the debate; but I think he indicated that while he did not quite favour this proposal he did not altogether condemn it. Except for certain inferences contained in his remarks, one listening to him might have assumed that he was making a speech in favour of the scheme, for in the whole of his figures I can find nothing to condemn the project. I cannot, however, agree with some of his deductions.

I want now to remind honorable senators that last year the Western Australian farmers paid £260,000 for bags for the handling of their crop. This year's harvest is going to be very much greater, and, of course, the farmers will pay a proportionally larger amount for their bags. We all know, too, that jute goods have gone up in price, and that values are still rising. In this connexion I wish to furnish honorable senators with some information that appeared in the *Melbourne Age* on the 21st inst., and I may add that I am surprised that Senator Pratten missed it, because, generally, he manages to get hold of everything. The paragraph was to this effect—

It is officially estimated that the Indian jute crop will total 6,500,000 bales. This would be the smallest crop since 1903, and 40 per cent. below the highest recorded in 1914. It is anticipated that no raw material will be available for export.

The Western Australian farmers, as I have said, last year paid £260,000 for their bags. I believe they have already in hand enough bags for the coming season, but unless they have a bulk handling scheme in operation before next harvest, what are they likely to be called upon to pay for bags? Not only is the jute crop a partial failure this year, but the cost of producing jute, like the cost of every other commodity, has gone up considerably. Consequently, if for no other reason than that the Western Australian farmers, by instituting the bulk-handling system, will save this £260,000 a year, or a greater portion of it, for bags, this scheme is, I contend, fully justified.

Senator PRATTEN.—The honorable senator is basing the whole of his argument on newspaper information, possibly inspired, from Calcutta.

Senator DRAKE-BROCKMAN.—No. If the honorable senator had read the statement made by the Prime Minister (Mr. Hughes) the other day, and that

certainly was not inspired, he would have found that, in effect, it contained the same information.

Senator RUSSELL.—Do not destroy the value of the interjection, because Senator Pratten makes 90 per cent. of his points on newspaper quotations.

Senator DRAKE-BROCKMAN.—I want also to remind the Senate, as Senator Wilson has already done, that the primary producers of Western Australia are responsible for 85½ per cent. of the total wealth produced in that State; and that these are the men we are backing in regard to this scheme. The Commonwealth Parliament will never see Western Australia go bankrupt. The Government would go to the assistance of any State that showed indications of bankruptcy.

Senator PRATTEN.—As a State.

Senator DRAKE-BROCKMAN.—Quite true. And if the farmers of Western Australia fail, this scheme fails; and, seeing that the primary producers are responsible for 85½ per cent. of the wealth, if they fail, then Western Australia goes bankrupt. This is the position in a nutshell. The success of the scheme is bound up with the success of the farmers.

Senator PRATTEN.—Is it not a question of the success or otherwise of the bulk handling of wheat, and not the success of the farmer?

Senator DRAKE-BROCKMAN.—I shall deal with that aspect of the matter. My honorable friend is afraid, apparently, that the farmers of Western Australia are not sufficiently astute to determine whether this is a good business deal or otherwise; but I have already indicated that they are advised and controlled in all their co-operative concerns by first-class business men. This bulk-handling scheme was mooted about ten years ago, and since then the most exhaustive inquiries into the whole system as applied to Western Australia have been made, not merely in Australia, but also in America and other countries where wheat is handled in bulk.

Senator PRATTEN.—The Governments of South Australia and Victoria made similar inquiries.

Senator DRAKE-BROCKMAN.—And in neither case has the inquiry condemned the system.



Senator SENIOR.—Not as a whole, but in part.

Senator DRAKE-BROCKMAN. — I mean that the bulk-handling system of wheat has not been condemned. After the most exhaustive investigations, those who were appointed to make the inquiries in Western Australia advised the farmers that the scheme was so sound that they could not only invest their own money in it, but could safely take on obligations of repayment to the Commonwealth Government of any money that might be advanced.

Senator SENIOR.—What is about the average haulage of wheat in Western Australia?

Senator DRAKE-BROCKMAN.—Off-hand, I am afraid I cannot answer the honorable senator's question.

Senator Cox.—About how far out is the most distant wheat area from a terminal port?

Senator DE LARGIE.—The haulage would be anything from 40 to 250 miles.

Senator DRAKE-BROCKMAN.—Senator Pratten also raised the question of shipping accommodation as applied to the bulk-handling system. The farmers of Western Australia have made very careful investigations into that particular matter. They addressed inquiries to thirty-five wheat shippers in Western Australia, and of the replies received twenty-three shippers declared themselves in favour of the bulk-handling system, four were non-committal, five were not interested, and three were opposed to it. It will be seen, therefore, that the great majority of the shippers interested in Western Australian wheat production favour the system of bulk handling.

Another thing in favour of this proposal by the farmers of Western Australia is that they will save under it no less than 12½ per cent. of shipping space, and consequently freight charges, if their wheat is handled in bulk rather than in bags.

Senator PRATTEN. — Will they get freight at anything less per ton?

Senator DRAKE-BROCKMAN.—No, they will not, but they will secure an advantage in the matter of handling and in the time occupied in loading, because while it takes nine days to load a ship with bags, it is estimated that it will take only three days to load it with grain in bulk.

Senator PLAIN.—The farmers will save freight on the bags to and fro, and that will represent a substantial amount.

Senator DRAKE-BROCKMAN.—Not only that, but, according to the exhaustive investigations of the farmers of Western Australia, they will save no less than £37,000 in freight in respect of the dirt shipped from Western Australia abroad, for which they are not paid, but on which they must pay freight.

Senator DUNCAN.—They must ship very dirty wheat.

Senator DRAKE-BROCKMAN.—They do, and so do wheat shippers in every other part of Australia.

Senator DUNCAN.—Is the dirt cleaned out before the wheat is put into the silo?

Senator DRAKE-BROCKMAN.—Yes, the dirt is cleaned out at the silos. As a part of the bulk-handling process, the dirt is eliminated. The farmers of Western Australia are very small in number as compared with those, for instance, of Victoria, but they say that they pay no less than £37,000 per annum as freight on good Western Australian soil which they ship from Western Australia to the ports of Europe with their wheat.

Senator DUNCAN.—They exported of their last crop approximately 4,000,000 bushels.

Senator DRAKE-BROCKMAN.—May I tell the honorable senator that already this year, and I am speaking of this season's shipping, they have shipped £2,000,000 worth of wheat and £2,000,000 worth of flour.

Senator DUNCAN. — My reference was to the export of grain last year.

Senator DRAKE-BROCKMAN.—The amount of grain available for export in Western Australia next year should be somewhere in the vicinity of 16,000,000 bushels.

Senator SENIOR.—Do they need to keep only 4,000,000 bushels for their own consumption in Western Australia?

Senator DRAKE-BROCKMAN. — I am not in a position to say exactly what amount is required for local consumption in Western Australia. I can make the calculations for my honorable friend if he is not capable of making them for himself, but I tell honorable senators what will be available for export from Western Australia next year according to figures supplied to me by the



farming community there. I have not verified or checked those figures, but have given them to the Senate as they were given to me.

Senator PRATTEN. — The honorable senator raised an interesting point when he said there would be a saving in freight by bulk as against bags, as freight on the bags would have to be paid. The honorable senator will remember that the bags are weighed in as wheat,

Senator DRAKE - BROCKMAN. — Every member of the Senate has promised at times to assist the primary producers. The basis of the appeal made by the Prime Minister (Mr. Hughes) for the support of the electors of Australia was the promise to assist the primary producers. Western Australia, as honorable senators are aware, has given a practical undertaking to the Commonwealth to take all the immigrants that may be shipped to that State. We expect to put those people on the land, and hope that they will become Western Australian farmers in due course. It is the duty of the Federal Parliament to support Western Australia in this regard, in order that the Government of that State may be in a position to fulfil their undertaking to receive immigrants from the Old Country. If for no other reason, it is the duty of this Parliament to support a measure which has that end in view.

Senator DUNCAN (New South Wales) [12.20]. — Nothing would be more pleasing to me than to be able to support the measure at present before us. I realize as fully as I hope other honorable senators do, the tremendous importance to Australia of its wheat production. It is the duty, not so much of the Federal Parliament as of the State Parliaments, to give every possible assistance to wheat producers, not only that those who are at present engaged in the industry may be induced to increase the areas they put under cultivation, and so increase production, but also in order that the number of wheat producers in the Commonwealth may be increased.

The future of this great Australia of ours depends very largely upon the volume of production we are able to attain. There is to-day a demand, and a growing demand, for wheat throughout the world. Peoples who hitherto have not been wheat consumers are rapidly developing the habit, and, as the East

becomes more civilized, shall we say, so will the demand for wheat continue to grow, and so also will the future success of the wheat-growers of Australia be assured.

Senator RUSSELL. — Cultivation will largely increase in the East, too.

Senator DUNCAN. — That may be so, but in view of the population of Eastern countries, and in view of the growing needs of humanity, it is not unreasonable to suppose that the Eastern peoples will not be able to produce all that they require for themselves. There is Australia's great opportunity. So I say that the future of this Commonwealth must depend very largely on the welfare of the primary producers, more particularly those engaged in the production of food-stuffs, the most important section of whom are our wheat-growers.

In view of the very conflicting statements that have been made by some honorable senators, the present position of the wheat-growers in Australia seems to be rather a hazy one. I do not think that we can do too much for our primary producers. Any encouragement and protection we can give, them will be fully warranted, but we need to be quite sure that we are giving them encouragement and protection, and are not increasing the difficulties with which they have to contend. This point was particularly elaborated by Senator Pratten in the very fine speech he delivered. Honorable senators who listened to that speech must have been filled with doubt as to the wisdom and advisability of the course now proposed by the Government. I feel that it is a deplorable thing that in Australia we should, in any degree at all, be dependent upon the nigger labour of the East for so large a factor in the welfare of our wheat producers as we are. I realize that the wheat industry of Australia is very largely dependent upon the jute position, and jute is produced by people who are not living under our conditions, and who receive the beggarly wages which we know are paid to those employed in its production. It is deplorable that we should be dependent upon them in any degree at all for our future prosperity. I should be prepared to do almost anything to get out of that difficulty in which we find ourselves, and make Australia absolutely independent of the coolies of India or anywhere else



for the marketing of this great primary product of ours.

I want to be sure that we are taking the right steps. When I consider the degree of prosperity that to-day obtains amongst our primary producers and remember the very fine prices, take them by and large, which they have received for their products during the last few years, I think that they have very little to complain of. After listening to Senator de Largie drawing the harrowing pictures he did draw of the awful conditions under which wheat-growers are labouring in Western Australia, I began to wonder what degree of civilization the people have reached over there, and what kind of government they can possibly have had in the past.

Senator DE LARGIE.—I spoke of what I know something about.

Senator DUNCAN.—When the honorable senator spoke of these harrowing conditions the tears almost ran down my cheeks. He held up to our view a picture that can only be compared to that drawn by Hood, when he wrote his famous "Song of the Shirt"—

Stitch, stitch, stitch, in poverty, hunger, and dirt.

Senator de Largie might have adapted that line, and said that "work, work, work, in poverty, hunger and dirt," is the condition of those engaged in wheat production in Western Australia. By way of interjection he now says that, when he spoke in the way to which I have referred, he knew what he was talking about. He knows the awful conditions that obtain in the Western State, where these men are ground down by the cursed middleman, who takes from them all their profit. He knows that they are living under the awful conditions he pictured—in hovels, ill-fed, and ill-clothed.

Senator DE LARGIE.—I said nothing about their feeding.

Senator DUNCAN.—That is the picture the honorable senator drew, and, if it is a correct picture, I begin to ask myself whether we shall be doing right in passing the measure now before us.

Senator WILSON.—The only difference is that Senator de Largie knows, and the honorable senator does not know, what he is talking about.

Senator DUNCAN.—My honorable friend, Senator Wilson, who never produced a bushel of wheat in his life—

Senator WILSON.—I beg the honorable senator's pardon, he must withdraw that statement.

Senator DUNCAN.—I withdraw it. The honorable senator has produced a bushel of wheat.

Senator WILSON.—A good many bushels.

Senator DUNCAN.—If the honorable senator cared to inquire, he would find that I have been associated with wheat-growing all my life, until the last few years. My parents and grant-parents were wheat producers, and were connected with the wheat-producing and milling industries in this State and in New South Wales.

Senator DE LARGIE.—The honorable senator got out of it.

Senator WILSON.—The honorable senator has a better job now.

Senator DUNCAN.—In those distant days of the past, when Senator de Largie's ancestors were wondering where they would get enough meal to make a bannock, my ancestors were growing and milling wheat. That being so, I do not think there is any room for Senators de Largie and Wilson to make any reflections upon my knowledge of wheat-growing, or my association with the industry.

Senator DE LARGIE.—The honorable senator's predecessor had sense enough to get out.

Senator DUNCAN.—He had. He was translated, I hope, to a higher sphere. I also got out of it, and, I hope, have been translated to a higher sphere.

Senator DRAKE-BROCKMAN.—The honorable senator has got away from the "Work, work, work, in poverty, hunger, and dirt."

Senator DUNCAN.—Yes; I desire to see the farmers of Western Australia get away from it, and have their conditions improved.

I want to place before honorable senators the position as it appears to me in order that they may realize the difficulties that are confronting me in making up my mind as to how to vote on such an important question. I am anxious to do the right thing for the Western Australian producers, because I realize that they are a section of the community deserving of help. But I am not



going to be bludgeoned into doing what I do not think to be right by the threats of honorable senators who differ from me. There are some honorable senators who, because they hold other views, think that I do not understand what I am talking about, and that I have no real interest in the producers of Western Australia or any other part of the Commonwealth.

Senator WILSON.—Who has been endeavouring to bludgeon the honorable senator?

Senator DUNCAN.—It has been said by previous speakers that we should adopt this proposal. Honorable senators have been casting all sorts of slurs upon the great State I assist in representing in this Chamber, and have been referring in a despicable manner to its administrators. Reference has also been made to its inability to manage its own affairs in a business-like way.

Senator WILSON.—The honorable senator has admitted that the scheme is likely to be a failure, but we have not said so.

Senator DUNCAN.—I am not saying that it is a failure. I shall endeavour to deal with the position, and I shall ask honorable senators to agree to a course of action similar to that which has been taken by the farmers and legislators in South Australia. It is to be regretted that the representatives of that State, who should be watching the interests of the producers, cannot be guided by the action South Australia has taken. Surely when such a State, which has six representatives in this Chamber, lays it down that it is better to wait and see before it is involved in a huge public expenditure, those representatives should protect Western Australia in the same way.

Senator WILSON.—You did not do that in New South Wales.

Senator DUNCAN.—No, because we had nothing to wait for. Other States now have opportunities which New South Wales did not then possess. We should wait and see the results of the experiments being made in New South Wales.

Senator RUSSELL.—Why did not New South Wales wait?

Senator DUNCAN.—Because at that time we had nothing to wait for, and as the work is still in the experimental stage. I advise honorable senators, with that degree of Scotch caution which some Scotsmen seem to be lacking, to wait and see if the scheme is likely to be a success.

Senator de Largie drew a harrowing picture of the poverty existing amongst the wheat farmers in Western Australia. It must be remembered that these men who are living under such conditions of poverty and misery are those who are going to invest their money in this undertaking. The producers have to provide, under this agreement, one-third of the cost, estimated at £800,000, which represents a sum of approximately £270,000. This down-trodden and poverty-stricken section of the community in Western Australia, according to Senator de Largie, is going to invest £270,000 in the bulk-handling scheme. Surely this is a contradiction which Senator de Largie and others who are supporting him should explain.

Senator RUSSELL.—We ought to congratulate them on their enterprise.

Senator DUNCAN.—I want the Vice-President of the Executive Council (Senator Russell) to understand that I am not in any way opposing the interests of the Western Australian farmers, or the enterprise which they have shown. The only honorable senator in this chamber who has said anything against them is Senator de Largie.

Senator DE LARGIE.—In what way?

Senator DUNCAN.—The honorable senator is the only one who cast any reflection upon them.

Senator DE LARGIE.—I ask the honorable senator to prove that.

Senator DUNCAN.—The honorable senator spoke of their down-trodden condition. If the statement is incorrect the farmers of that State will not thank him for making it, and if it is correct it is difficult to understand how they can be in a position to contribute £270,000 towards the work.

Senator DRAKE-BROCKMAN.—Out of their temporary prosperity they are preparing for future abnormal conditions.

Senator DE LARGIE.—I rise to order! Senator Duncan has just said that I cast a reflection upon the farmers of Western Australia, and I invite him to prove that I made such a statement or to withdraw it.

The DEPUTY PRESIDENT (Senator Bakker).—According to our Standing Orders, if an honorable senator makes a statement which another honorable senator regards as a reflection upon him, such a statement has to be withdrawn.



Senator DUNCAN.—If Senator de Largie objects to my statement that he drew a most harrowing picture of the conditions of the farmers of Western Australia, I withdraw it.

There are many objections to the scheme embodied in the Bill; but, after listening to the admirable speech of Senator Drake-Brockman, it would appear that it has much to recommend it. This is a question which has two sides, either of which, if heard alone, would be sufficient to justify an honorable senator in supporting or opposing it. The case put forward by Senator Pratten and that submitted on the other hand by Senator Drake-Brockman would appear to the mere observer so complete in every detail that the average man might be forgiven for not being able to make up his mind as to how to vote. The great objection to this scheme is one that has already been voiced by Senator Payne and several other honorable senators. The point is this: This measure proposes that the Commonwealth Parliament shall indorse the intrusion of the Commonwealth Parliament between the Parliament of a State and the producers of that State, who are subject to State laws.

Senator RUSSELL.—We came in by invitation.

Senator DUNCAN.—Not by the invitation of the governing body.

Senator RUSSELL.—We were invited by the Parliament and the farmers of that State.

Senator DUNCAN.—That is news to me, and I am glad to have the Minister's assurance that such is the case. The fact, however, remains that we are coming in as a third party.

Senator RUSSELL.—I meant to say that we were invited by the Government, and not the Parliament.

Senator DUNCAN.—I understand the Western Australian Government have no objection to the Commonwealth authorities intervening.

Senator RUSSELL.—It is usual for Governments to ask for approval.

Senator DUNCAN.—So far as I know, the only action the Western Australian Parliament has taken has been to refuse to do anything in the matter. The Government have taken certain steps, and we are now asked to come in

between the State and a section of the community in an unusual manner, and one which has never before been adopted since the inception of Federation.

Senator DRAKE-BROCKMAN.—Yes. What of the bonuses to the steel producers?

Senator DUNCAN.—That is an entirely different proposition.

Senator DRAKE-BROCKMAN.—Then what of New South Wales on the question of wire-netting?

Senator DUNCAN.—Encouragement has been given in certain directions, with the object of establishing certain manufacturing industries for the benefit of the whole Commonwealth.

Senator PRATTEN.—And the benefits applying equally to the whole Commonwealth.

Senator DUNCAN.—Yes.

Arguments have been used in this debate to the effect that there is no difference between the course of action embodied in this measure and that adopted when bonuses were paid to the sugar producers in Queensland. That argument was used by Senator de Largie.

Senator DE LARGIE.—Is it unfair to refer to New South Wales getting all the good things?

Senator DUNCAN.—New South Wales has not received her fair share of the benefits, considering what she contributes in the way of taxation. New South Wales is represented in this Chamber by six senators, and another State, which has not one-twentieth of the population, has similar representation. We have agreed to these things owing to the magnanimity and generosity of the people.

Senator RUSSELL.—Why not discuss the Bill?

Senator DUNCAN.—I am not departing from its principle, but some honorable senators always seem to have before them the bugbear that New South Wales is getting, or is likely to get, more than its share. It seems quite fashionable in this Parliament to throw "dirt" at the Mother State.

Senator NEWLAND.—The honorable senator should not say that here.

Senator DUNCAN.—I am saying it because it seems the practice in this Parliament to endeavour to keep New



South Wales from receiving even those benefits to which she is entitled under the Constitution. No honorable senator can deny that.

My first objection to the proposal now before the Senate is that we are launching out in an entirely new way in the expenditure of Commonwealth public money, and in a manner which was never contemplated under the Constitution. When the Constitution was ratified by the States, it was understood that the Federal Parliament would deal only with certain great national problems, such as that of defence.

Senator RUSSELL.—Let us get back to the Bill.

Senator DUNCAN.—Does the Minister contend that I am discussing matters foreign to the measure?

Senator RUSSELL.—Defence has certainly nothing to do with it.

Senator DUNCAN.—The Constitution was never supposed to cover conditions such as these, and it was never contemplated that this great Commonwealth Parliament, which was created to deal with national questions, should take up much of its time in discussing the question of giving an advance to a small group of persons in a particular State.

Senator DRAKE-BROCKMAN. — If the procedure is unconstitutional, why not take the necessary steps and bring the matter before the High Court?

Senator DUNCAN.—I am not saying that it is not constitutional, but that we are doing something that was not expected when the Constitution was framed.

My second objection is that the Commonwealth Government will be committed to the expenditure of over half-a-million pounds sterling without adequate cover. There has been some discussion as to whether the security provided in this measure is sufficient. I do not think it is. No Government in Australia would dare to foreclose upon any considerable number of farmers in any State of the Union. Of course, Senator Drake-Brockman has assured us that such a contingency is not likely to arise—and I hope that he is right—but suppose that this limited liability company, which is to be subsidized by the Commonwealth, should fail. In what position will the Government be in regard

to recovering the money which it has advanced? Would it foreclose upon the security which it holds? Would it take over these grain elevators and silos in Western Australia? Suppose that the farmers of that State said, "We will hand over the whole thing to you." What could the Commonwealth do with it? It could only manage it in the interests of the very men who had repudiated their contract. Is it any part of the functions of the Commonwealth Parliament to carry on operations of this character either in the interests of the farmers, or of the manufacturers, or any other section of the community? These are dangers which we have to consider. The Government have attempted to obtain adequate cover in connexion with this scheme; but in the very nature of things their efforts cannot be successful.

My next objection to the Bill is a very serious one, and one which must appeal to every honorable senator when he recollects the obligations into which the Commonwealth has already entered. I know that the expression which I am about to use is a time-worn one; but, nevertheless, it is applicable here, and I therefore make no apology for urging as an objection to this scheme that "the time is not opportune." I ask honorable senators to recall the very high cost of building materials at the present time. In every State of the Union building operations have been considerably hampered by reason of high prices of materials. In certain States it is almost impossible to get a sufficient supply of cement to enable the erection of soldiers' homes to be proceeded with. At Canberra it is proposed that the Commonwealth shall manufacture its own cement.

Senator WILSON.—Western Australia will soon be in a better position to supply cement than Canberra will ever be.

Senator DUNCAN.—Is the cement there to-day?

Senator DRAKE-BROCKMAN.—Yes.

Senator DUNCAN.—That is news to me. If there be such an abundance of cement in Western Australia it is strange that keen commercial men have not seen fit to send supplies of it round to the eastern States. I do not believe that there is any considerable surplus of cement in Western Australia.

Senator DRAKE-BROCKMAN.—Who said that there was?



Senator DUNCAN.—The honorable senator now denies that there is. That is just the position in which I wished to place him.

Senator RUSSELL.—But there is a sufficient supply of cement in Western Australia to enable these silos to be erected.

Senator DUNCAN.—There may be sufficient cement for ordinary purposes; but unless there is a surplus it will be impossible to proceed with the scheme which we are now discussing.

Senator DRAKE-BROCKMAN. — Very shortly there will be a sufficient supply of cement in Western Australia for the needs of New South Wales, and New South Welshmen are very large shareholders in the cement enterprise which has been started in Western Australia. They came into it with a view to getting supplies of cement from Western Australia for New South Wales.

Senator DUNCAN.—That confirms what I have said as to the acumen of business men in the West.

Senator WILSON.—I do not think that the honorable senator can boast of the acumen of the business men of New South Wales in connexion with the wheat-storage scheme there.

Senator DUNCAN.—We have been assured that the scheme which is outlined in this Bill will cost £800,000.

Senator RUSSELL.—That is only an estimate.

Senator DUNCAN.—Exactly. Let me remind honorable senators that the main terminal silo in New South Wales, about which there have been no complaints, and which was constructed in record time, and under record conditions—a silo which is designed to hold 6,000,000 bushels of wheat—has itself cost £800,000.

Senator RUSSELL.—That silo is under the same control and direction as will be the silos constructed under this Bill. The honorable senator is proud of one performance that we have put up; he ought to be equally confident in regard to our next performance.

Senator DUNCAN.—The silo of which I speak was constructed under the close personal supervision of an officer of the Government. Where other silos have been erected in New South Wales, under supervision which was not so strict, the results have not been nearly so satisfactory. It has already cost the Government of New South Wales £11,000 to repair silos which were constructed under the

wheat-storage scheme, and those silos have never yet held a bushel of wheat.

Senator RUSSELL.—Of the £11 000 of which the honorable senator speaks, the contractors are responsible for £8,000.

Senator DUNCAN.—It will cost the New South Wales Government a considerable sum of money to put these silos in repair, even though they have been completed and handed over to the Commonwealth.

Senator RUSSELL.—Not a single silo has been completed and handed over yet.

Senator DUNCAN.—They are supposed to have been completed, so far as the concrete work is concerned.

Senator RUSSELL.—No. When they are completed they require a Commonwealth certificate before they can be handed over, and I have not issued any certificate. The honorable senator does not seem to realize the position in which his statements are placing me. By imputation, he is making it appear that I am corrupt.

Senator DUNCAN.—I do not say that the Vice-President of the Executive Council (Senator Russell) has issued a certificate to anybody. I merely affirm that the contractors who constructed these silos in New South Wales were supposed to have completed their work so far as the concrete portion of it is concerned.

Senator RUSSELL. — Who supposed that?

Senator DUNCAN.—The contractors themselves. They completed the job and went away from it.

Senator RUSSELL.—The Commonwealth is finally responsible for the completion of that work, and we are protecting our own interests in it.

Senator DUNCAN.—I am quite satisfied that the Vice-President of the Executive Council may be trusted to look after the interests of the Commonwealth.

Senator PRATTEN.—But the Vice-President of the Executive Council himself admits that, so far, the job has not been satisfactory.

Senator DUNCAN.—That is practically what he does admit. The one silo in New South Wales to which I have alluded has cost £800,000. It contains 60,000 yards of concrete, and at one stage of its construction 500 men were em-



ployed upon it. The Vice-President of the Executive Council has stated that the whole scheme has not yet been completed. I believe that even the main terminal silo of which I have spoken has not yet been completed. Yet the sum which this one silo has cost, is now put forward as the estimated cost of the entire scheme to which it is proposed to give effect in Western Australia.

Senator PRATTEN.—In the silo to which the honorable senator has referred there is not yet a single pound's worth of machinery.

Senator RUSSELL.—That main terminal silo is not a single silo, but practically three small silos.

Senator DUNCAN.—I have very grave doubts as to whether the scheme outlined in this Bill will pay. We have been assured by Senator Drake-Brockman that it will, but I am exceedingly doubtful on that point, because I submit that the wheat yield of Western Australia is not sufficiently large to afford a safe margin for the success of the scheme. I have here the figures of Mr. Knibbs issued in Bulletin No. 80, which cover a period up till June of the present year. In it he sets out the average wheat yields for the various States for the ten-year period from 1910-1911 to 1920. They are as follows:—Victoria, 30,632,513 bushels, New South Wales 30,003,645 bushels, South Australia 23,311,459 bushels, and Western Australia 10,013,988 bushels. So that 10,000,000 bushels has been the average annual yield in Western Australia during the past ten years.

Senator RUSSELL.—Does the honorable senator think that the yield will stop there?

Senator DUNCAN.—I do not. I hope that it will not. But I would point out that there are immense fluctuations in the wheat yields from year to year. In 1915-16, for example, the yield in New South Wales was 66,000,000 bushels, the largest yield ever obtained by any State in Australia. Yet in succeeding years the wheat yield of that State fell away almost to nothing. Of course, I have been assured that Western Australia is a State in which droughts are unknown, and in which production is bound to continually increase. I am told that she is never likely to experience a set-back.

Senator PRATTEN.—The figures for the past five years do not support that statement.

Senator DE LARGIE.—Who has said anything of the kind?

Senator DUNCAN.—I have been assured by a Western Australian senator that there are no droughts in that State.

Senator DE LARGIE.—What is the senator's name?

Senator DUNCAN.—The honorable senator knows who I mean. I believe that Western Australia will suffer the same reverses as have been experienced in the other States. I submit that an average yield of 10,000,000 bushels is not sufficient to warrant us in assuming that this scheme for bulk handling of wheat in Western Australia will pay. When it has been proved that the bulk-handling system can be made a success in New South Wales, it will be time enough for us to consider whether the Commonwealth should not bear a certain loss for a number of years in order that the system may be established in Western Australia, and that the farmers of that State may be given what they are now asking. But if this system should prove to be a failure in New South Wales we should always have cause to reproach ourselves if we prematurely saddled Western Australia with a similar scheme. If the bulk-handling system cannot succeed in New South Wales, there is no chance of it succeeding in Western Australia. Honorable senators must recognise that.

Senator WILSON.—In instituting a comparison between New South Wales and Western Australia, the honorable senator is comparing a State enterprise with a co-operative one, and I prefer to back the co-operative enterprise upon every occasion.

Senator DUNCAN.—I have been a believer in co-operation all my life.

*Sitting suspended from 1 to 2.30 p.m.*

Senator DUNCAN.—I was about to show that the project under consideration could not be expected to pay in Western Australia, because the number of shareholders likely to come in under the provisions of the articles of the company would not be large enough to give us a reasonable expectation that it would pay. From the number of holdings in Western Australia, as given by *Knibbs* in the quarterly summary issued in June,



1920, we can arrive at some conclusion as to the probable number of farmers in Western Australia who would be likely to come in under the terms of the agreement. I shall show that Western Australia has not anything like the same number of producers as the other States have, and if I can prove that the number of farmers in Western Australia is insufficient, from a financial point of view, to make this a success, it will be a very strong argument against the passage of the measure.

The number of holdings in New South Wales from 501 acres to 1,000 acres is 17,297, and in all the States a man wants at least 500 acres to make wheat-farming pay, even in favoured districts, although it is carried on on smaller areas in Victoria, but not very successfully. That total includes not only wheat-farmers, but all others.

Senator DE LARGIE.—What have the other kind of farmers to do with the silos?

Senator DUNCAN.—I am giving the honorable senator everything in.

Senator DE LARGIE.—Your figures are misleading.

Senator DUNCAN.—I submit that they are not. I am giving the honorable senator something, and it is evident from his speech that he needs all the assistance he can possibly get. In New South Wales the number of holdings from 5,001 to 10,000 acres is 942; and there are not many wheat-farmers holding over 10,000 acres. There are also not too many wheat-farmers holding from 101 to 500 acres. The total number of those small holdings in New South Wales is 26,405. The holdings that really matter, so far as New South Wales is concerned, that is, those between 501 and 10,000 acres, number only somewhere in the region of 18,000, or, giving some of the others in, say, 20,000 in all.

Senator EARLE.—The honorable senator's figures would be more valuable if he could show the number of wheat-farmers.

Senator DUNCAN.—I cannot do so, because they are not given separately; so I am giving the total number of farmers engaged not only in wheat-growing, but in other forms of production. That makes my case all the stronger.

Senator EARLE.—In Western Australia they may be all wheat-farmers.

Senator DUNCAN.—I am taking the whole of the holdings in Western Australia as being wheat holdings. The position is not so good in South Australia as in New South Wales. The number of holdings there from 501 to 5,000 acres is 4,057; and from 5,001 acres to 10,000, 4,006; or a total of just over 8,000 possible holdings in that State, so far as wheat-farming is concerned. Even with 8,000 holdings, the probabilities of making this scheme a financial success would be small enough; but in Western Australia there are 7,000 holdings from 501 to 5,000 acres, and 200 holdings from 5,001 to 10,000 acres, or only a little over 7,000 possible wheat holdings in that State. To give the exact figures, there are 7,791 holdings in Western Australia held by farmers who could be wheat-growers. I am including the whole lot of them, whether they are engaged in wheat-farming or not.

Senator ROWELL.—Would that include grazing areas as well?

Senator DUNCAN.—Yes.

Senator EARLE.—Supposing 90 per cent. in Western Australia were wheat-farmers, and only 20 per cent. in New South Wales, of what value is your comparison then?

Senator DUNCAN.—I simply want to get at the total number of farmers in Western Australia who are likely to come under this scheme. I am including every one with a holding of from 501 to 10,000 acres, whether he is engaged in wheat-farming or not. I submit that at least 20 per cent. of these would not be likely to come under the scheme. We cannot expect every farmer to do so.

Senator DE LARGIE.—Why not?

Senator DUNCAN.—Because a number of them cannot afford to do it. I am assuming that 80 per cent. are likely to come in.

Senator DE LARGIE.—What do you mean by "cannot afford it"?

Senator DUNCAN.—The honorable senator ought to know that most farmers engaged in wheat-growing on small holdings, particularly in new country, put their money back into the land, or into plant or stock or improvements, as fast as they make it. They have no ready capital in the bank or anywhere else



which they can apply for the purposes of this Bill. My calculation gives a total of about 6,000 farmers in Western Australia who would be likely to come under this scheme. That is 80 per cent. of the total holders of between 501 and 10,000 acres. That is all that may be expected under the very best of circumstances to come in as shareholders under this agreement. I submit that 6,000 shareholders in this concern—

Senator RUSSELL.—Six thousand is an enormous start. Have you ever read of the work done by one man with a printing press?

Senator DUNCAN.—Yes, but 6,000 10s. shares would not be very much to put up to-day to start a printing establishment or anything else.

Senator RUSSELL.—They have now received and sold all the shares they want for their liability. That is already done, and there is no risk about not getting what you have already got.

Senator DUNCAN.—What I want to arrive at is the number of farmers that the Commonwealth Government and Parliament can look to for the liquidation of the Commonwealth advance.

Senator WILSON.—You are trying to prove that they cannot raise what the Minister tells us that they have already raised.

Senator DUNCAN.—All the Minister has shown us is that they have put up a certain amount of capital. The honorable senator and others should know that the initial capital put up in a concern of this sort may not be one quarter of the total capital required to make it a financial success, before it is finished. They may want a great deal more, and I fully expect that they will. I do not believe, from the figures and experience in New South Wales, that the £800,000 which it is expected will be sufficient to launch this scheme will be anything like enough. I am confident that as the scheme develops it will be shown that a great deal more money in the aggregate will be required.

Senator RUSSELL.—The farmers have arranged to allow it to be deducted from the two year's Wheat Pools to put up the full capital that they apply for.

Senator DUNCAN.—Here again we have something new.

Senator DRAKE-BROCKMAN.—I told you that this morning, if you had only listened.

Senator DUNCAN.—We have just learned that the farmers are going to allow the amount to be deducted from the Wheat Pool, but is it the intention of the Government to take the money whether the farmers can afford it or not? I do not believe they could. The Government cannot treat the farmers or the community as a private business firm would treat its debtors.

Senator RUSSELL.—The farmers have asked us to do it for them.

Senator DUNCAN.—They may have, but they are taking on a big gamble in the hope that everything will turn out all right, and the Commonwealth Government is apparently prepared to back their gamble. The proposition from a financial and business point of view is not good enough either for the farmers of Western Australia or for the Federal Government. We have to look to the interests of the people who put us here. The great majority of the people of Australia are looking, at this time above all others, for serious consideration by this Parliament of expenditure in every direction. They want full value for their money in every possible way.

Senator DRAKE-BROCKMAN.—Next week you will be advocating Canberra, I suppose.

Senator DUNCAN.—We shall be in a position to show that Canberra will pay from the jump. That is something which the advocates of this agreement cannot do. Some honorable senators, perhaps, do not know the constitutional undertaking with regard to Canberra.

The PRESIDENT (Senator the Hon. T. Givens).—Order! The honorable senator will have other opportunities to discuss that question.

Senator DUNCAN.—A constitutional obligation is altogether different from the kind of undertaking on which the Government are now embarking.

I hope for the sake of the farmers of Western Australia, who have most to lose, that further consideration on the lines indicated by Senator Fairbairn will be given to the Bill. There is nothing to lose by delaying it a little and making further inquiries. That is all I ask for. I am open to conviction. If it can be shown, as it has not yet been shown, that this proposition is good and sound, I shall be only too willing to support it.



Senator RUSSELL.—Fancy you and me combining to say to Australia, "Go slow"!

Senator DUNCAN.—It is not a bad policy to-day so far as expenditure is concerned. The Government were elected to look very carefully into expenditure of every kind. The Minister and others are advocating that we should launch out into all kinds of wild expenditures without considering whether we shall be able to meet the cost or not.

Senator DE LARGIE.—Who said "Canberra"?

Senator DUNCAN.—Senator de Largie has been advocating that sort of thing right through this measure. He occupies rather an extraordinary position for a Scotchman. I appeal to him and others to exercise a little of that caniness which is an inherent characteristic of the Scottish race. I urge them to bide a wee, pause a little, look before they leap, and to know just what they are going to do, and to what they are committing themselves. If we do that, the Western Australian farmers will not blame us, nor will the constituents who sent us here.

Senator PLAIN (Victoria) [2.44].—As one who has taken some part in the pioneering stages of Victoria in particular, I can claim in some degree to speak of the hardships endured by the early settlers. I thought the statements made by Senator de Largie were extremely tame compared with some of the experiences of my friends and myself in the early days. No matter at what time the pioneering stages take place in any State, those hardships have to be faced, and, unfortunately, they have to be faced by men with big hearts and little money. I take it that the conditions in Western Australia are similar to those originally met with in Victoria, New South Wales, and other States where wheat is grown. To some extent, the producers of Western Australia are in the pioneering stages, and are encountering the difficulties to which I have referred. Senator Duncan mentioned that a crop of about 10,000,000 bushels was the average harvest in Western Australia. That certainly seems a very small quantity, but I remind honorable senators that in 1892 Canada's total wheat production was only about 10,000,000 bushels per annum, whereas to-day it is in the neighbourhood of 180,000,000 bushels; and I claim that

Australia is more suitable for wheat cultivation than Canada. I congratulate the wheat farmers of Western Australia upon the fine spirit shown in meeting their peculiar difficulties in order that they may be in a position, in the matter of wheat production, to compete with other producers in the world's markets in the near future. Prior to the war, Australian producers were under peculiar difficulties in this respect, and were never able to secure a fair remuneration for their labour. If those men who pioneered the wheat areas of the different States had received adequate compensation for their labour, they would, I am sure, have been more than satisfied; but in the case of most of them, their days are numbered, and they will probably die comparatively poor men. We must bear in mind that for the pioneer wheat farmers there is no eight hours a day. I have seen them, during one of the worst droughts ever experienced in this country, and when the temperature ranged from 112 to 114 degrees in the shade, working from 5 o'clock in the morning until 9 o'clock at night, not in the expectation of getting a handsome financial return, but in order to make ends meet. These men have left their mark upon the history of production in this country. Only a few years ago, I, with a number of other fellow-Commissioners appointed by the Government of Victoria, had an opportunity of visiting the remoter wheat areas of this State, where the pioneers were struggling and facing extraordinary hardships in the circumstances I have mentioned. They had approached the Government with a request for financial assistance to carry them on for another year; but the Government had gone to the length of their tether in that respect, and were doubtful about the wisdom of acceding to the requests that had come to them. Accordingly, I, with the other gentlemen to whom I have referred, was commissioned to make an inquiry. We travelled over the area from Ouyen to Murrayville, and from Murrayville *via* Pinnaroo, over the border in South Australia, and had an opportunity of getting first-hand information as to the conditions under which the men and women were struggling. I was in a position to guide my fellow-Commissioners how best to act so as not to hurt



the feelings of these settlers, and in many cases we did not visit the houses, which were houses only in name, consisting of wattle and daub structures, and after three years of severe drought they were, not infrequently, filled with sand: In many cases, the children had no clothes, and the womenfolk had not had a new dress since they went there. These were the conditions that existed in that country only a few years ago. To-day, happily, some of these farmers are over their difficulties; but, nevertheless, many, even after six years of hard work, are now only in a position to meet their accounts.

The farmers in Western Australia, it appears, are now determined, if possible, to adopt some up-to-date method for the handling of their wheat. I was over in New South Wales the other day, and heard a lecture on wheat handling in bulk, delivered by Mr. McKay, one of the finest engineers in the States, now an inspector of silos for the Commonwealth Government. The lecturer described the terrible ravages from the mice pest throughout the Commonwealth a few years ago, and pictures, showing the awful condition of stacks in New South Wales and Victoria, proved most effective as a demonstration of the wisdom of handling wheat in bulk. One stack was shown to have tumbled completely down, the iron was twisted in all directions, and round about the stack were heaps of mice, estimated to be from 6 to 10 tons in weight. Now, these conditions existed only a year or two ago, and I think they might have been mentioned by Senator Pratten, who presented a mass of figures to the Senate yesterday. Figures, we are told, can be made to prove anything, and Senator Pratten, I think, is a pretty good manipulator.

Senator PRATTEN.—I must ask the honorable senator to withdraw the statement that I am a manipulator of figures.

Senator PLAIN.—I shall withdraw the statement, Mr. President, and will say that the honorable senator is able to make figures speak in almost any language. I did not like Senator Pratten's remarks yesterday, because they were not altogether relevant; to some extent, they clouded the issue before the Senate, and will affect the value of wheat scrip. I hope the Minister, in the

course of his reply, will refute many of the statements made by Senator Pratten.

Senator PRATTEN.—I hope he will.

Senator PLAIN.—I have just had handed to me a copy of the remarks made by Mr. McKay during his lecture, and will be glad to make it available to honorable senators.

Senator PRATTEN.—What speech does the honorable senator refer to?

Senator PLAIN.—I am referring to a speech delivered by Mr. McKay, Commonwealth Inspector of Silos, now in New South Wales attending to some of those damaged silos to which the honorable senator referred yesterday.

Senator PRATTEN.—Some of your friends in the Victorian Parliament do not place a very high estimate on Mr. McKay's qualifications as an authority on this subject.

Senator RUSSELL.—He was one of the first men appointed to inspect silos in New South Wales, and he constructed the Geelong sewer works on his own.

Senator PRATTEN.—But what does he know about the bulk handling of wheat?

Senator PLAIN.—He is an engineer, and capable of supervising the building of silos.

Senator PRATTEN.—Oh! I see. And he has been lecturing on the question of the bulk handling of wheat?

Senator PLAIN.—That is so.

Senator PRATTEN.—And, therefore, his qualifications as an authority on that subject are not necessarily very high?

Senator PLAIN.—As a lecturer, he has based his remarks upon information which he obtained from the finest experts in the Commonwealth.

Senator PRATTEN.—That is to say, he gets his facts from the same source as we get ours.

Senator PLAIN.—In order to give honorable senators some idea as to the losses sustained during the last few years, I may point out that for the season 1915-16 the quantity of wheat received in Victoria was 59,177,000 bushels. The quantity sold was 52,379,121 bushels, and the quantity in hand was 591,526 bushels. This gives a total of 52,970,647 bushels, and shows a deficit of 6,200,000 bushels, representing in value £1,581,806. To make up the deficiency on this crop,



5,500,000 bushels were transferred from the 1916-17 crop and 750,000 bushels from the 1917-18 crop. The 1916-17 crop suffered abnormal ravages from the mouse plague and weather conditions, and the actual expenditure on that crop for re-bagging and re-building stacks, apart altogether from expenditure in re-conditioning and loss due to depreciation, was £380,000.

Senator PRATTEN.—Are those figures for Victoria?

Senator PLAIN.—Yes.

Senator PRATTEN.—The damage, I take it, was chiefly caused by mice.

Senator PLAIN.—Yes; but the weather conditions were very bad, also. As the result of the mice plague, stacks tumbled down, and tons of mice were piled all around them. The pictures to which I refer have never yet been shown to the people, but they may be in the course of a year or two, and the general public will then realize the conditions which faced us during a mice plague under the present system of bag handling of wheat. In order to give honorable senators some idea of the cost, I may point out that prior to 1914 the highest price paid for cornsacks was 7s. 6d. per dozen, and quotations for the coming season are in the neighbourhood of 17s., representing an increase of 130 per cent. In other words, the farmer must provide bags for his new crop at 3d. per bushel more than pre-war rates. At least 25 per cent. of those crops required re-conditioning, at a cost of 3d. per bag.

Senator PRATTEN.—You mean 25 per cent. of the total on the A, B, and C crops?

Senator PLAIN.—Yes.

Senator FAIRBAIRN.—That amount went in expenditure?

Senator PRATTEN.—That is to say that 25 per cent. of the crops garnered in those years had to be reconditioned.

Senator PLAIN.—Yes, 25 per cent., at a cost of, say, 3d. per bag, or 1d. per bushel. These figures work out at about 1d. per bushel over the whole crop. It will be admitted that that is a small amount to allow for reconditioning in the circumstances I have referred to.

Senator SENIOR.—The figures include the increased cost of bags over normal prices.

Senator PLAIN.—Yes, my figures include everything. I can give them in detail. I have quoted 10 per cent. loss of wheat at 4s. 9d. per bushel, which was the price of the 1915-16 crop.

Senator PRATTEN.—The honorable senator is referring to the A crop.

Senator PLAIN.—Yes, I am now referring to the A crop. There was a 10 per cent. loss on that crop, and the price was 4s. 9d. per bushel f.o.b. That works out at 5½d. per bushel. The extra cost of bags works out at about 3d. per bushel and reconditioning, as I have said, at 1d. per bushel. The depreciation in the value of the crop, due to damage by weather, vermin, and weevils, was 3d. per bushel, showing the total loss on the 1915-16 crop to be 1s. per bushel.

Senator SENIOR.—What was the total yield of that crop?

Senator PLAIN.—The total yield of that crop was 59,177,000 bushels.

Senator Sir THOMAS GLASGOW.—One crop for Victoria alone?

Senator PLAIN.—Yes. It cannot possibly be said that I have not supplied most conservative estimates, and I defy Senator Pratten to challenge the figures I have given.

Senator PRATTEN.—I do not challenge those figures. They all tend to prove that my estimate of loss is correct.

Senator PLAIN.—If the figures I have given are reasonable, the position placed before the Senate by Senator Pratten is indefensible.

Senator PRATTEN.—I do not follow the honorable senator.

Senator PLAIN.—I say that the statement which Senator Pratten made yesterday denouncing the Western Australian policy is indefensible in the face of the figures I have given as applying to the 1915-16 crop.

Senator PRATTEN.—The honorable senator, in fairness to me, should remember that I did not object to wheat bins for the better preservation of a crop, and that my argument was against the system of complete bulk handling for the State of Western Australia.

Senator PLAIN.—The Western Australian farmers have said that they will have no more of obsolete methods in the handling of their wheat. The farmers of this country cannot possibly continue to produce wheat in competition with other countries of the world if they do not im-



prove upon the existing system of handling their crops.

Senator PRATTEN.—And prevent the losses the honorable senator has been referring to.

Senator PLAIN.—Yes, and prevent the loss I have referred to.

Senator PRATTEN.—I agree with the honorable senator.

Senator PLAIN.—The only way in which they can hope to succeed is by the handling of their wheat in bulk. When quoting my figures I did not refer to the extra weight due to moisture. Senator Pratten did not mention that matter in his remarks.

Senator PRATTEN.—Yes, I did. I mentioned that it represented 24,000,000 bushels.

Senator SENIOR.—The honorable senator allowed for it in respect of all the wheat, instead of allowing for it only in respect of that which was absolutely destroyed.

Senator PLAIN.—I wish again to congratulate the Western Australian senators on having such a fine lot of enterprising farmers in their State. If we desire wheat production to continue to increase in the Commonwealth we must assist wheat growers in the different States to adopt some improved methods of handling their crops, which will relieve them of the enormous burden they are obliged to carry at the present time owing to the obsolete system of handling wheat which we now have. I claim as one who has grown wheat under all circumstances that if honorable senators adopt such a course as to compel the continuance of the present system of handling wheat, they will be knocking the bottom out of wheat production in Australia.

Senator PRATTEN.—The farmers of Victoria have postponed the adoption of bulk handling.

Senator PLAIN.—That is true, because the State Minister of Agriculture advised them that, as the cost of silo construction would be so high at the present time, they had better wait a little until it became cheaper. Honorable senators will have learned that after the Napoleonic wars and other great wars, high prices due to war conditions did not fall for from five to ten years, and I question very much whether after the last great war prices will fall within that period. In connexion with this matter, I feel that the State

Minister of Agriculture in Victoria has shown some timidity. He is a wheat-grower; but he has been growing wheat in one of the most prosperous districts of the State, and does not realize the hardships to which wheat-growers pioneering the northern districts of the State have been subjected. I feel sure that if he could witness the awful conditions through which they have had to struggle, and knew that he might relieve them by establishing a better and more up-to-date method for the handling of their crops, he would take steps in that direction immediately. The farmers of this State are, I think, somewhat timid about the adoption of bulk handling; but the men who have endeavoured to guide the destinies of the wheat-growing industry here have passed through the pioneering stage, have become to some extent prosperous, and of late years have been concerned to a greater extent with growing lambs than with growing wheat. They have been gradually giving up wheat-growing for sheep-growing, and are not now greatly affected by the difficulties which confront others in the handling of the wheat crop. In Western Australia there are very few farmers who can more profitably use their land for the growing of lambs than for the growth of wheat. The conditions in Western Australia are not so favorable as they are here for the growth of lambs. Fences are lacking, there is a scarcity of water, and the cost of materials is so high that settlers in Western Australia prefer to grow wheat until such time as the cost of materials is reduced, and that may not be for the next five or ten years.

If we are to exist as a people, and pay our way, we can expect to do so chiefly by the production of wheat, wool, and lambs. These productions are essential to the existence of the country, and if we, as members of the Senate, can do anything to encourage the farmers to help themselves, as the Western Australian farmers propose to do, to bring about a better system for the handling of their crops, we should do so. It is our duty to give them all the assistance we can. This Bill is intended to forward a very worthy object, and, in my view, contains one of the finest proposals that could be submitted to the Senate. If the farmers of Victoria were prepared to-morrow to give £2,000,000 on the condition that the Commonwealth would advance them £1,000,000 for the



purpose of erecting silos, I do not think that honorable senators would hesitate for a moment to accept their proposal.

Senator PRATTEN.—Would the honorable senator be of the same opinion if the figures were reversed, and the farmers put up £1,000,000 and asked the Commonwealth to put up £2,000,000?

Senator PLAIN.—I believe that the Senate would even consider that.

Senator PRATTEN.—That is what the Senate is considering now.

Senator PLAIN. — Notwithstanding that, I say that the proposal submitted in the Bill before the Senate is absolutely sound, and I hope that the farmers of Western Australia will be given all the assistance that honorable senators can give them.

Senator RUSSELL (Victoria—Vice-President of the Executive Council) [3.11].—I confess to being somewhat disappointed with the debate which has taken place on this Bill. I say, quite candidly, that I do not think that honorable senators on this occasion have made the most of the opportunity which has been presented to them. I wish to briefly review the establishment of the Wheat Pool and to refer to some of the difficulties which have had to be surmounted and which are not known to many honorable senators who were overseas when the Wheat Pool was established. It was never the conception of any one man, and it may be said to have come about as inevitable on the outbreak of the war and the development of war conditions throughout the world. There was a practical stoppage of freight to Australia to the extent of 600,000 tons, and, following the drought of 1914, we had the greatest year for production that Australia has ever known. We were confronted in the midst of war conditions and the strenuous life which people were leading in those days with the problem of evolving a scheme for the disposal of our wheat, and I claim to-day that the establishment of the Wheat Pool, in the circumstances, was one of our greatest achievements during the war.

When we took possession of the bountiful harvest of wheat there was not one man in Australia who was able to advise me to whom I did not appeal for advice as chairman of the Wheat Pool when I became responsible for its administration. There was not one person who could ad-

vise me as to how long wheat would keep, and what diseases were likely to develop in it. I went into the matter, as a layman, with no previous experience of wheat, and I can claim that no man worked harder than I did to acquire the knowledge of the subject in the possession of some of the best citizens of Australia. Shipping was daily decreasing, we had no iron and no steel, and the Railway Departments were slackening off in the building of trucks. We required thousands of yards of tarpaulin, and we could not buy a yard, not because we did not try, but because it was not possible to purchase it in any part of the world. We would have two days of hail and rain together, and we had to bring wheat to the seaboard. The impossibility of obtaining tarpaulins or canvas in this country cost Australia £300,000 or £400,000, and all we could do was to sit down and look at the position. We have learned some lessons since then, and have established the flax industry in Australia. I had conference after conference with Railway Commissioners, appealing to them to supply tarpaulins for the protection of the wheat. The cleaning costs 2d. per bushel. Many of the calculations that have been submitted to-day have been based on normal seasons, but if conditions were always normal we probably would not need silos. The losses incurred in connexion with one mice or weevil plague, or in consequence of damage by weather, would cover the cost of erecting silos within a period of ten years. We have already lost, owing to the unusual conditions which have prevailed, the cost of a complete silo system. I do not desire to attach the blame to any one, but we have had enormous surpluses with which to deal, and considering all these circumstances, the losses in Australia have been exceptionally small. It is easy for some honorable senators to quote figures concerning losses, but from the official information which has been submitted to me it would appear that the actual loss has been 2.38 per cent. Even if the conditions had been normal, and we had the most perfect machinery available for carrying out this great undertaking, it would have been a wonderful achievement; but when we consider the circumstances I do not think it can be said that a loss of only 2.38 per cent. is anything but miraculous. The honorable senator, who dealt rather exhaustively with this phase of the



question—I am not blaming him for his limited knowledge, as he is to some extent a layman in wheat matters—made a somewhat bold assertion concerning the increase in weight. It is impossible to state definitely what the increase is likely to be, as it depends largely upon the conditions in which the wheat is received. I have, however, been informed on reliable authority that in some instances farmers have actually waited for rain to fall on their wheat before delivering it, with the natural result that the Australian Wheat Board was called upon to pay for water as well as wheat. How were we to control that? Some of the wheat received in the early days contained a good deal of moisture, but it had to be stored for so long that by the time it was ready for shipment it had not only lost its moisture, but had decreased in weight, and we were called upon to compensate the purchasers in consequence. On the other hand, we sometimes under-estimated the increase, and were fortunate enough to receive a cheque representing the difference. Nowadays we have to compensate the purchasers for the decrease which has occurred.

Senator PRATTEN.—The Minister has stated that the total loss in weight was approximately one-quarter of 1 per cent.

Senator RUSSELL.—Yes; that is the percentage on the figures that have been submitted to me. We received wheat, and issued certificates on 503,264,000 bushels, and the estimate of the losses which, I believe, more than covers the whole of the losses in Australia, is approximately 12,000,000 bushels.

Senator PRATTEN.—That is  $2\frac{1}{2}$  per cent.

Senator RUSSELL.—The actual loss is 2.38 per cent. I am submitting information that has been supplied to me by the Australian Wheat Board, and I am prepared to say that every individual in Australia whom we approached, and who had any knowledge of the matter, gave us the best advice available. The Australian Wheat Board sought the assistance of Governments, scientists, shippers, and wheat-handlers generally, and there was a strong desire on the part of every one to do his best in the interests of the scheme. When wheat was damaged, it was necessary to treat it, and in protecting the grain we had to purchase galvanized iron, which at one time was unprocurable in any part of the Com-

monwealth. The Government, having control of shipping, became the sole importers of iron from America, and when it was being quoted at £90 per ton, we were successful in obtaining supplies at £65 per ton, which meant a saving of hundreds of thousands of pounds to the producers of this country. The whole work had to be thoroughly organized in a manner that has never been before attempted by any Government, and it is very easy to pick out the faults and sneer at those who were doing their best to make the scheme a success. It must be remembered that the prices ruling at the time were not what they are to-day, and on one occasion I can remember being called upon to complete a midnight contract which had been made between the Prime Minister (Mr. Hughes) when abroad and M. Clementel. The agreement was drawn up on the basis of 4s. per bushel, and the Board had to provide the shipping. The agreement was submitted to the members of the Board, and every one was afraid to sign it, but I informed the Board that we would have to sign it, as we could not shirk our responsibility. It is easy for some honorable senators to make sneering references to the work of the Australian Wheat Board now wheat is 15s. per bushel, but in those days we had received offers from various parts of the world ranging from 3s. to 3s. 6d. per bushel, including an offer from the British Government. Now, of course, every one can sell wheat at a good price, and I regret that we have not more at our disposal.

I am sorry that Senator Pratten used the figures he did to-day. As Chairman of the Wheat Board, the only advice that I have given to the farmers has been to hold their scrip. I have never permitted the members of the Board, or its officers, to disclose any information that was likely to affect the value of the scrip in the slightest degree.

Senator PRATTEN.—I did not say anything about scrip.

Senator RUSSELL. — It is the inference that may be drawn from such statements as those made by the honorable senator. We have a public duty to perform, and should be very discreet in any remarks we make of such a character. On the last occasion on which the honorable senator referred to this matter, there was almost a panic down town.



Senator EARLE.—That is a compliment to the honorable senator.

Senator RUSSELL.—It may be; but such remarks are generally followed by insinuations which reflect to some extent on the management of the Wheat Pool. No member of the Wheat Board receives a penny, or even a tram ticket, from the funds of the Pool for services rendered. It has been a labour of love, and I think we should at least be given some credit for the work which we have performed under difficult circumstances. I admit that mistakes have been made—perhaps hundreds—but a mistake once made was never repeated. We had to endeavour to procure canvas to provide covering for the wheat, and had also to arrange for the proper storage. We had to contend with many difficulties, and had all the bad luck in the world, because in the “boom” year wheat was about 4s. per bushel in Chicago. Senator Pratten has said that there was a loss of 18,000,000 bushels, and, although I am not a professional accountant, I have sufficient knowledge of accountancy to know that the figures I have submitted are reliable. The secretary of the Australian Wheat Board is a highly competent officer, and on two occasions at least he has refused promotion to the position of auditor and head of the permanent staff in the Victorian Treasury, to enable him to complete his work. We can, therefore, accept the figures he has submitted with safety. I have been informed to-day by the secretary of the Board that Senator Pratten has over-estimated the losses by at least 6,000,000 bushels, and I am not quoting my opinion against that of Senator Pratten. I am giving the figures of one of the most competent accountants in Australia. It may eventually be proved that Senator Pratten's figures are not altogether incorrect; but unless that honorable senator is perfectly sure that they are reliable, he has no right to make loose statements which may affect the position.

Senator PRATTEN.—I object to the Vice-President of the Executive Council using the word “loose.” I stand by the figures I have given, and am prepared to show how they are made up.

Senator RUSSELL.—Well, I am prepared to correct the statement, and say that, unless the figures have been prop-

perly and completely verified, they should not be given.

Senator PRATTEN.—The Minister's information is obtained from the books of the Wheat Board.

Senator RUSSELL.—Of course, it is. What else have I to guide me? They are the official records of the Board. Inaccurate statements create a good deal of distrust in the minds of outsiders; but I want to be fair, and give the fullest possible information that I have at my disposal. The official records show that the losses in the different States have been as follow:—Victoria, 2,300,000 bushels; New South Wales, 3,500,000 bushels; South Australia, 6,400,000 bushels; and Western Australia, 1,300,000 bushels; or a total of 13,500,000 bushels.

Senator PRATTEN.—That is, so far as is known.

Senator RUSSELL.—That is the fullest information I can give. No one in this world can tell what is the value of the stacks to-day; but 98 per cent. of it is assured, and the remaining 2 per cent. can only be estimated.

Senator PRATTEN.—The Minister is not allowing for any increase in weight.

Senator RUSSELL.—We are not able to ascertain the increase in weight; but the figures for 1915-16 in Victoria represent 750,000 bushels, and in Western Australia, 50,000 bushels. For 1917-18 the Victorian figures cannot be ascertained, because the whole of the wheat has not been handled. For 1918-19 Western Australia shows a gain of 99,000 bushels. Much of the matter that has been introduced during the debate would have been better left unsaid, because it necessitates me replying in defence of the officers who have been associated with the Australian Wheat Board.

Senator PRATTEN.—What about the statement made by Senator Plain that there had been a loss of 10 per cent.?

Senator RUSSELL.—Senator Plain and Senator Pratten were really conversing across the chamber, and it was impossible for me to follow the figures which were submitted. I asked Senator Plain for information once or twice, but it was not forthcoming.

Reference has been made to the erection of wheat silos in New South Wales. I have been associated with the Australian



Wheat Board from its very inception, and I know that the work, which has been done at the terminal silo at New South Wales, has never been excelled in any part of the world. It is one of the grandest works ever accomplished by Australian tradesmen, and I am glad to say that there has never been an industrial dispute in connexion with it. Although it has been in progress for some eighteen months, I have never received a complaint from any engineer as to the defective character of the work upon it. In regard to the field silos I have received complaints, but seeing that the works involve an expenditure of £1,500,000, and that the amount in dispute for the remedying of defects in them represents only £11,000, it will be seen that there is not much cause for complaint. I have asked engineers to make an analysis of the position, and they are of opinion that the State of New South Wales is responsible for £5,000 out of the £11,000, which I have mentioned. We have ordered the contractors to remedy the defects covered by the balance, and until they do so they will not get their certificates in regard to the completion of the work. To-day it was stated that certificates had been issued. I deny that any certificate has been issued.

Senator DUNCAN.—Who said that certificates had been issued?

Senator RUSSELL.—It is true that partial certificates have been granted in connexion with advance payments, but the final certificate has not been issued in any case. Consequently we hold deposits, which will enable us to make any adjustments that may be necessary in accordance with the reports of our engineers. It is not right that statements should be made in this Chamber which practically suggest corruption upon my part. We frequently blame the public for their criticism of Parliament, but we ourselves encourage that criticism by the loose statements which we frequently make here.

Senator PRATTEN.—About the firm of Metcalf and Company, and Mr. Graham, "Yes."

Senator RUSSELL.—I will come to that matter. When discussion takes place in this Chamber in respect of the firm of Metcalf, and Mr. Graham, I, as Chairman of the Wheat Board, have to shoulder my share of responsibility. I have stood

enough criticism of the character to which I am now taking exception during the past five years, and I will tolerate it no longer. Regarding the trouble which has occurred in New South Wales, I sent a complete report to Mr. Dunn regarding every defect discovered on the whole of the wheat silos which have been erected there. On the 3rd inst. I asked him to let me know the estimated cost of repairing the defects, and also who was responsible for them—the designers, the engineers, or the contractors. Whilst sitting in my place in this Chamber to-day, there was placed in my hands the following reply, dated 21st September—

I am directed to inform you that every effort is being made to repair the faults referred to as rapidly as possible, and our engineer-in-chief assures me that the bins mentioned will be made good in every respect.

Seeing that an expenditure of £1,500,000 is involved in this undertaking, and that the amount in dispute for repairs is only £11,000, I think we have cause to congratulate ourselves upon such a good record. When the work has been completed—and it will not be paid for until then—it will be a credit to Australia.

At the last election every Nationalist candidate urged upon the electors the necessity for increased production. I know there is a little doubt in the minds of some honorable senators as to whether Western Australia desires to proceed with this scheme. Personally, I believe that the Government of that State intend to co-operate fully with the Commonwealth, and with the farmers who are interested in the success of the venture. I have communications which make that fact very clear, although they do not bear the signature of the Western Australian Premier. The fact, however, that they have been forwarded to a representative of Western Australia in this Parliament is a sufficient guarantee to me of their accuracy. But even if the Government of Western Australia did not desire that this scheme should be carried out, would that be a reason why we should hold our hands and defer taking the requisite action? Is this an inferior Parliament, or the Parliament which should lead Australia? In nine cases out of ten, during the progress of the war, there was constant co-operation between the Commonwealth and the



States. In most cases, I admit that that was rendered imperative, because the States had to come to the Commonwealth for financial assistance. To-day, I do not believe it possible for Western Australia to accept responsibility for the scheme which is embodied in this Bill. She can escape from her financial troubles only by production and development. This scheme will prove as big an assistance to the Government of Western Australia as it will to the farmers of that State. Seeing that we have stressed the necessity for increased production, are we now going to sit back and assume that we have not the power to do this or that? To-day this country ought to be teeming with machinery for our industries, our lands should be opening up, and our production should be based on the most scientific methods. The farmer should no longer be messing about the purchase of bags at 15s. per dozen when, by adopting the bulk system of handling, he can effect a saving of 4d. a bushel. Senator Pratten has asked if this scheme will pay. We shall have full inquiries made into the matter, and if Western Australia is building bigger silos than she requires to accommodate her wheat, the necessary steps will be taken to safeguard our interests. We have perfect control over the matter, because, unless we vote the money required for the scheme, it cannot be proceeded with. I consider that the way in which the wheat of Australia was handled during the war period was a remarkable performance, seeing that the losses sustained were so slight.

I ask honorable senators to take the big Australian view of this matter. We certainly ought to endeavour to develop wheat-growing as a national industry. During the next forty or fifty years there will be practically no limit to its development in this country; but we must recognise that our own farmers are at a disadvantage as compared with the farmers of Argentine, Great Britain, and Canada. They must always be handicapped to the extent of 2d. or 3d. per bushel, owing to our geographical position. When normal times re-assert themselves, a matter of 3d. per bushel may mean keeping our wheat out of the world's markets. At the recent election, we told the people of Australia that we

*Senator Russell.*

were not in favour of continuing the compulsory Wheat Pool, but if the States deemed it necessary to establish a Pool, we would co-operate with them by every means in our power. The States have decided to establish a Pool; they have placed the conditions relating to it before us, and we have promised to co-operate with them. Of course, the Commonwealth will not requisition the wheat, but the States will acquire it, and when they have done that we shall deal direct with the States, and not with the farmers. In other words, we propose to leave all the local organization to the States, and that, I think, is a sound policy. Honorable senators stood up to this programme during the recent election campaign. I know that making promises upon public platforms is one thing, and keeping them is another; but it is our obligation to respect the pledges which we have given. Even if men disagree with us, they will, at least, honour us if we attempt to redeem our promises.

Senator PRATTEN.—The Vice-President of the Executive Council does not suggest that we promised to support a thing like this?

Senator RUSSELL.—We are irretrievably committed to help industries in every possible way. I defy any member of the Nationalist party to say otherwise. I do not suggest that we are committed to every detail of the Bill, which requires to be analyzed in a secluded spot to obtain a thorough grip of its details, but to the general principle which is embodied in it, I unhesitatingly say that we are committed. This will not be the first Bill of the same character that will be submitted for our consideration.

Senator EARLE.—Oh!

Senator RUSSELL.—After all it is merely a system of State banking, and I am not sure that I did not hear a proposal by Senator Earle for the granting of subsidies for the purpose of developing certain mines in Tasmania.

Senator EARLE.—The Vice-President of the Executive Council is quite wrong. I advised the Commonwealth to develop a mine there itself, but not to join a company for the purpose of developing it.

Senator RUSSELL.—Evidently the honorable senator thought it was good business if he could get the cash from



the Commonwealth. I hope we shall not hear a repetition of the cry, "Why do not the States do this work for themselves?" If we are going to adopt that line of argument, it is a case of God help Australia. I hope that the Bill will be carried, and that in operation it will prove to be an undoubted success.

Senator PRATTEN.—Upon the point of wheat losses, neither I nor any other honorable senator has ever stated that the Australian Wheat Board is responsible for those losses, because the responsibility for the care of the wheat was peculiarly that of the State Boards only.

Senator RUSSELL.—Whilst that is so, the Commonwealth alone was responsible for the financing of the scheme during the war.

Senator PRATTEN.—But the Australian Wheat Board is absolved from the losses which have been made.

Senator RUSSELL.—That is so. We are not responsible for the control of the wheat at all. The Central Wheat Board never lost a bushel or a single grain of wheat, because its control only started when the wheat was shipped. But, having said so much, I do not think that I ought to sit down and leave the other poor devils, who worked in the way that I have previously stated, without saying a single word in their defence. The great majority of them worked extremely hard to make a success of the scheme. There were one or two little incidents connected with the undertaking which proved the exception to that rule. Those who made mistakes have had their trial, and I am willing, as a Britisher, to accept the verdict of the Court.

I hope the Bill will be a fore-runner of a much-needed line of development in Australia. We have splendid possibilities, but if we wait for private enterprise to put big undertakings of this kind on a firm basis we are likely to wait for a very long time. Every care that prudence dictates should be taken, but we have to make a bigger collective and national effort, not to restrict, but to help private enterprise to expand and develop this country industrially and otherwise. I did not intend to say anything offensive or hot, but there was a good deal of a sort of half-insinuation that some things were not as right as they ought to be. I do not say they are perfect, but we have made no

more mistakes than the average man, and, having got through our jobs, we want to retire when our time comes without any unpleasantness. I wish to make a special appeal to honorable senators generally. We have all to be a bit bigger than we were before the war, and we must take some little risks. I believe that this is a sporting chance to help men who, in the industrial sense, have shown the best sporting spirit in Australia. They are the first body of men who have come together to help themselves in this way, and I am prepared, as I hope other honorable senators will be, to give them a chance to do work which will be a credit to themselves and to Australia.

Question resolved in the affirmative.

Bill read a second time.

In Committee:

Clause 1 agreed to.

Progress reported.

Senate adjourned at 3.50 p.m.

## House of Representatives.

Friday, 24 September, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 11 a.m., and read prayers.

### CONCILIATION AND ARBITRATION BILL.

Bill returned from the Senate with amendments.

### WAR SERVICE HOMES.

PURCHASE OF SAWMILLS AND TIMBER AREAS. — ALLEGATIONS AGAINST OFFICIALS. — CONSTRUCTION OF HOMES IN SOUTH AUSTRALIA.

Mr. LISTER.—I desire to ask the Treasurer, in the absence of the Prime Minister, whether he is aware that in the official correspondence between the Minister for Repatriation and the War Service Homes Commissioner on the one hand, and a Mr. J. T. Caldwell, with reference to certain timber leases in the Islands of Vanikario and Tevai, in the Solomon Group, and further, in connexion with the initial arrangements made with Lahey

Bros., of Queensland, and the War Service Homes Department, for the purchase of considerable quantities of timber, very serious allegations are made which reflect gravely on the officials of the Department. Will the Government appoint a Royal Commission, clothed with full powers to call any witnesses who may be required, to inquire fully into all or any of the transactions of the War Service Homes Department, so as to thus clear the Department of the suspicion with which it is unfortunately surrounded at the present time?

Sir JOSEPH COOK.—The honorable member will recognise that no Government could act upon mere vague statements, such as he has made. If the honorable member has any definite allegations and will bring them to the notice of the Government, I promise him that they will have the fullest consideration. We will go to any length, if necessary, to clear up the matter, but there must be first of all some definite statement. I know of no allegations such as the honorable member has mentioned, but if he has them, and they have any substantiality—if responsible individuals make them—then, of course, in our own interests, they must be fully considered.

Mr. RICHARD FOSTER.—Will the Honorary Minister (Mr. Rodgers) lay on the table of the House a copy of the report by Captain Earle, of the Repatriation Department, concerning the construction of soldiers' homes in South Australia.

Mr. RODGERS.—Yes. I shall be pleased to have the report made available.

### SUPPLY OF SUGAR.

Mr. FENTON.—I desire to bring before the Minister for Trade and Customs the following quotation from a letter written by a returned soldier in the grocery business who has trouble in obtaining a supply of sugar. He states:—

My position is: I have opened a grocery shop, after having been away on active service for five years. Prior to that I was in the business for some years. . . . I approached Mr. Smith at the company's office, and asked if I could not be put on the same basis as my fellow-grocers. He agreed I was justified in my claim, but sorry they (the company) could not add the name on their lists.

He concludes by stating: "What we Diggers want is only a fair deal." Will

the Minister use his power to try to secure a fair distribution of sugar, especially in the case of a man carrying on business as a grocer who has rendered five years' service to his country.

Mr. HECTOR LAMOND.—The only trouble is that he has gone to the wrong individual. Diggers can always get sugar.

Mr. FENTON.—He approached the source from which most of our supplies come.

Mr. GREENE.—If the honorable member will give me the correspondence, I shall see that the matter is inquired into and, if it is possible to obtain any sugar, this man will certainly get it.

### CENTRAL EUROPEAN COUNTRIES.

#### CONSIGNMENTS OF FOOD AND CLOTHING.

Mr. BRENNAN.—I desire to ask the Minister for Trade and Customs if it is a fact that consignments of food and clothing may not be sent directly to the needy and suffering people in the countries of the Central Powers in Europe. If so, will not the Government consider the propriety of allowing gifts of food and clothing to be sent, more particularly to the suffering women and children, especially in view of the fact that the Lord Mayor of Melbourne and others are organizing a fund in this State—and probably a similar fund is being organized in other States—for the relief of such persons? Will the Government also have regard to the circumstances that money sent to these people is of no avail, whereas gifts of foodstuffs and clothing are of great importance?

Mr. GREENE.—At the present time, all consignments of food and clothing which go through any organization are permitted to pass. There is no restriction on such exports. The export of food and clothing sent, as the result of a public fund raised for the purpose, is quite freely permitted. Individual consignments are also permitted, provided that they go through some recognised organization. The great difficulty in the way of allowing individual consignments to be sent out is in discriminating between what is and what is not trade. As long as they go through any recognised organization—and there are



quite a number of such consignments at the present time—or are the proceeds of any public fund, they are permitted to be sent.

## AUSTRALIAN FLOUR.

### COMPLAINTS FROM SOUTH AFRICA.

Mr. HIGGS.—I desire to ask the Prime Minister whether the South African Government have any trade representative in Australia. If not, in view of the definite statement that has been made regarding the poor quality of Australian B flour shipped to South Africa, will the right honorable gentleman invite the South African Government, or appoint some one, to inquire whether the Commonwealth Government or the Wheat Board, had anything whatever to do with the export of alleged inferior flour.

Mr. HUGHES.—I noticed the paragraph to which, no doubt, the honorable member refers. So far as I am aware, the South African Government has no direct representative here. I spoke recently, quite properly in severe terms, of those who sent from Australia goods that were not true to sample and, what is more, were not of first quality. But I think I can say publicly—and I hope the press will take note of the statement—that the South Africans have nothing to complain of in regard to this deal. They bought from sample, and the goods supplied were true to sample. As to the suggestion made in the paragraph that Government officials had been corrupt—that they had been “bought”—I know nothing whatever of the circumstances. I am not even aware whether there are any State Government representatives who would have anything to do with the matter. I make bold to assert, however, that it is quite untrue to say that any Commonwealth officials were corrupt in this matter. Happily, we have been very fortunate in this respect. Our representatives have incurred, perhaps, a considerable amount of criticism at the hands of firms who wished to send out goods which were not precisely what they ought to have been, and which have been held up by our officers. I am now informed by my colleague that no certificates were issued, and therefore no Government officials whatever are or could be implicated in any way.

## PORT MORESBY NATIVE HOSPITAL.

Dr. MALONEY.—I do not know whether the attention of the Minister for Home and Territories has been called to the horrible statement appearing in to-day's issue of the *Age* in regard to the conditions prevailing in the native hospital at Port Moresby, Papua. May I explain that it is reported that Judge Murray, the Administrator, states that in April last, and also later on, he saw a medical officer there who was under the impression that he had a divine mission. That is one of the clearest symptoms of lunacy. Speaking on behalf of the unfortunate patients in that hospital, who are alleged to have suffered a shortage of food and blankets, I ask the Minister whether he will bring the matter before the Cabinet with a view to despatching to Papua some of the excellent medical officers attached to the Defence Department.

Mr. POYNTON.—I have the matter under consideration, and if I think it necessary to refer it to the Cabinet I shall do so.

## NEW GUINEA.

### SALE OF GERMAN GOODS.

Mr. CUNNINGHAM.—I desire to ask the Prime Minister whether it is a fact that the Government contemplate appointing one particular firm as sole Sydney agent for selling, purchasing, and handling goods and products of firms expropriated in New Guinea. If so, will the Government, in justice to other Sydney firms, consider the advisability of distributing the agency work?

Mr. HUGHES.—This is a question which ought to have been placed on the notice-paper. The Government will be compelled to consider the handling of goods that are taken from German plantations, but the question of who shall deal with them has certainly not been considered. If the honorable member will put the question on the Notice Paper for Thursday or Friday next, we shall have had an opportunity in the meanwhile to consider the matter. At any rate, I am now unable to say anything further, because I do not know.

## DEATH OF CAPTAIN HOWELL.

Mr. BRENNAN.—Has the Prime Minister yet had an opportunity to initiate those inquiries in regard to the late Captain Howell, that he promised to make a week or two ago?

Mr. HUGHES.—I have made some further inquiries, but I have not received any further information. As soon as I do so I shall not fail to lay it before honorable members. I received a letter from the parents, I think, of Captain Howell, supplying me with some information, on which I was able, from what the honorable member himself had said, to frame an inquiry. The honorable member will understand that it is not very easy to find the person to whom such inquiry should be addressed, but the Government are doing their best.

## WOOL COMBING AND SPINNING COMPANY.

## LEGAL PROCEEDINGS.

Mr. CUNNINGHAM.—I desire to ask the Attorney-General what stage has been reached in the proceedings initiated by the Government against Messrs. Hughes and Company, and the Wool Combing and Spinning Company. Is it the intention of the Government to go on with the case?

Mr. HUGHES.—Although I am Attorney-General, I am afraid I am not *au fait* with the details of the office, but the Government must go on with the case. There is a cross action, and if the Government dropped its side of the case, it would still have to defend the action taken against the Commonwealth. This litigation was initiated, I believe, during my sojourn in France and England, and I am not exactly sure of the stage at which it now stands. The honorable member will understand—though I hope he will never understand so well as I do—the delays of the law. He knows, however, that it takes a long time for the law to get going, and in this particular case those concerned are just about to begin to get ready to think about making a start.

## EX-SERVICE MEN STRANDED IN LONDON.

Mr. BRENNAN.—Is it a fact, as reported, that a number of ex-service men in Great Britain, who, for some reason or another, have not been considered worthy

of repatriation, are presenting themselves at the Australian offices there, in a state of absolute indigence and starvation. If so, has the Prime Minister got into communication with the authorities in London, with a view to seeing that those men, whatever their conduct may have been, are not allowed to starve on the other side of the world? Even if they were convicted of crimes, we would be bound to feed them in prison.

Mr. HUGHES.—I think that, yesterday this question was answered pretty fully. I am entirely unfamiliar with the matter, with which my honorable colleague (Mr. Rodgers) is dealing, and, I am quite sure, effectively dealing. The Department in England is now attempting to cover all cases. The honorable member (Mr. Brennan) puts a very difficult question when he asks what we propose to do in the case of a man with a criminal record—I do not mean a military criminal record, but an ordinary criminal record—who has refused every opportunity offered, though, goodness knows, they have been numerous enough, to present himself for repatriation, and now declares himself as stranded and starving. I do not know, exactly, what we can do, but I quite appreciate the spirit of the honorable member's inquiry. We will not permit the good name of Australia to be dragged in the mire, even by such men, and will see that they do not starve.

## PERSONAL EXPLANATION.

Mr. BRENNAN.—I desire to make a personal explanation with regard to a statement I made in this House the other day regarding the manipulation of war gratuity bonds. I referred to the case of a returned soldier who purchased a musical instrument, which I described as a "Vocalion," and subsequently sold it at a greatly reduced price, thus suffering a loss. While repeating and re-affirming that such abuses exist—though they are now to some extent being remedied—I have received information to the effect that I should not have used the term "Vocalion." That is an instrument manufactured and retailed under the control of one particular firm, and in mentioning it, I think I did them some injustice. I am satisfied that the instrument which was bought by the soldier was a gramophone, of which there



are various kinds. It is due to the firm in question to say that the word I used was not a correct technical description of the instrument sold.

### SALE OF WHEAT OVERSEAS.

Mr. FRANCIS asked the Prime Minister, *upon notice*—

As no statement has been made regarding the disposal of 1919-20 wheat overseas since the 3rd May, 1920, when it was stated in the press that on the 15th March, 1920, approximately 8,000,000 bushels had been sold overseas at an average price of 8s. 7d. per bushel, will he inform the House—

1. What was the approximate quantity of 1919-20 wheat available for sale overseas?
2. What quantity has since been sold?
3. What is now the average return f.o.b. for overseas sales?
4. What are the prospects of selling the balance before the new season?
5. What is the present London parity?
6. Will any further advances be made to growers before the new season?

Mr. HUGHES.—The answers to the honorable member's questions are as follow:—

1 to 4. I would invite the honorable member's attention to a statement (furnished by Senator Russell), which appears in this morning's press, showing the re-sales on account of the 1919-20 Wheat Pool. The Australian Wheat Board is not prepared to make any further statement at present. Publication of the quantity of the Board's unsold stock is obviously inadvisable in the interests of wheat-growers.

5. There is no fixed London parity. This depends on London values of wheat, and on rates of freight, both of which are liable to fluctuation. The Australian Wheat Board does not consider it desirable to publish the results of individual sales.

6. The States have been asked to intimate whether they desire to make any further advances. On receipt of their replies, the Commonwealth Government will give consideration to the question of making the necessary financial arrangements.

### COAL SUPPLY.

Mr. HUGHES.—(*By leave.*)—I shall endeavour to keep the House *au fait* with the coal position from time to time. Honorable members will have noted in this morning's press that Mr. Hibble, the Commissioner under the Industrial Peace Act, has made his first and interim award in regard to wages. Mr. Hibble has now notified the Government that the owners are claiming an increase in the

price of coal to cover the increased wages he has awarded to the men. The Government are taking up the attitude that it must be shown to their satisfaction that the increased price claimed by the owners is justified by the increased wages paid to the men. But the moment that Mr. Hibble makes an award that increased wages are to be paid to the men there is clearly a responsibility on the Government to see that the owners do not lose, and whatever action is necessary to that end we must take. Ample opportunity, of course, will be given to the House to express its opinion on any proposal that is made in the way of an increase in the price of coal. A little while ago, the position in regard to coal shortage in Victoria was acute. It is now a little improved, but leaves much to be desired. Owing to the shortage of tonnage on the coast, and the scarcity of coal in Melbourne, it was recently decided that certain vessels of the Commonwealth Government line should load coal from Newcastle, and so relieve the position. Three vessels arrived in Melbourne with coal; but, after the wharf labourers had been working for a day on one of the ships, they demanded extra payment on the ground that, as the vessel had 'tween decks in two of her holds, they could not earn a fair day's wage under the usual working conditions, and refused to further discharge the vessel unless they were paid extra money. In order to avoid unnecessary delay to the steamer, and get the coal discharged in time to relieve the industries and public services, for which it was needed, it was decided, in the special circumstances referred to, to concede the payment. The ordinary rate for discharging colliers is 1s. 3½d. per ton for day work, and time and a half for night work; but, as the Commonwealth vessels all have 'tween decks, lumpers working this class of ships would be entitled to the rate for 'tween-deck ships, namely, 1s. 4½d. per ton, and an extra man in each gang. The rates demanded by members of the Wharf Labourers' Union for discharging the Commonwealth ships were, however, time and a quarter for day work and double time for night work. In view of the fact that wharf lumpers were evidently attempting to penalize the Commonwealth

vessels simply because they were not regular colliers, and were, moreover, taking advantage of the fact that these vessels were relieving the serious situation in this regard, it is not intended to load any more Commonwealth ships with coal for Melbourne.

### NEW GUINEA BILL

Bill returned from the Senate without amendment.

### LOAN BILL (1920-21).

*In Committee* (Consideration resumed from 23rd September, *vide* page 4946):  
Schedule.

Upon which Mr. JACKSON had moved, by way of amendment—

That the following items be left out:—  
“Federal Capital Territory—Initial settlement, £90,000; preparatory works, £60,000; railways, completion of construction line, Federal Capital, £250.”

Mr. JOWETT (Grampians) [11.31].—Before resuming my remarks upon the amendment moved by the honorable member for Bass (Mr. Jackson), I desire to withdraw and apologize to the House for some remarks I made last evening during a heated passage, and which I think were uncalled for. I express, also, my gratitude to the Treasurer (Sir Joseph Cook), who was leading the House last night, for having given me an opportunity of continuing my remarks to-day, and the Committee an opportunity of discussing fully and adequately the very important question which is now before Parliament and the people. I make no apology for continuing this debate, because I am convinced that, although I may be told that the numbers are up, and that the debate will not influence a single vote, this Parliament is designed by the Constitution, and desired by the people to be the place for full and open discussion of all matters of public weal. There is only one question before the Committee, and that is, whether three items of expenditure on the Federal Capital site, totalling £150,000, shall be included in this Bill. This is not the time to discuss the relative merits of Canberra or any other site. The only matter we have to consider is the raising and spending of certain sums of money. I am quite prepared to admit freely that in the compact

made between the various States and the people of Australia, it was agreed that the Federal Capital should be in New South Wales, but not less than 100 miles from Sydney. Later, this Parliament decided that the site should be at Canberra. I do not attempt to reflect upon any of those arrangements or decisions. Every honorable member will admit that these are national agreements which must be fulfilled. But the question we have to consider to-day is whether, in the present financial condition of Australia, we should spend £150,000 for certain services connected with the establishment of the Federal Capital. I am afraid that the people of Australia—to what extent their opinion is reflected by honorable members I know not—do not realize the very serious financial position which the country now occupies. There is a belief that everything is for the best in the best of all possible worlds, that we are all right, and can continue spending money as unconcernedly as we have done in the past. But it is my conviction that those who hold that view are living in a fool's paradise. They do not realize the financial dangers with which we are faced. Only on Wednesday last the Treasurer, in reply to a question by the honorable member for Dampier (Mr. Gregory), informed the House that in spite of the amount that has been raised by taxation and loans, the Commonwealth has floating liabilities, which must be met within a comparatively short time, with other payments to make in the near future, amounting, according to my calculations, to not less than £110,000,000.

Mr. McDONALD.—For what?

Mr. JOWETT.—We still owe to the Imperial Government a sum of £47,500,000, which is practically payable on demand. There are outstanding Treasury bills amounting to £9,000,000. The approximate amount still to be raised to finance soldier settlement is £33,000,000. It is estimated also, and I think honorable members will admit that the estimate is reasonable, that a further sum of about £25,000,000 will be required in connexion with advances for War Service Homes. There is a general belief that we are enjoying such a state of unbounded prosperity that all such sums as these, and also the £150,000 which the Government



propose to spend at Canberra, can be raised without the slightest difficulty. There is, however, one aspect which the public have not yet begun to realize, namely, that to a very large extent the overflowing Treasury, and the overflowing purses of a considerable number of people, are due to the fact that our primary products and, indeed, all products, are now selling at inflated values. So far from the production of Australia increasing, there is evidence that it is actually diminishing. We are only deceived regarding this apparent prosperity by the great inflation of values. The Treasurer, in his Budget speech, referred to the increase of 89 per cent. in the value of exports, to which a very large measure of our present prosperity is due. He continued—

Unfortunately, statistics of values alone do not furnish a true record of trade movements. In themselves they are to-day utterly misleading. A very careful analysis would be needed to ascertain how much of these values is due to actual bulk increase, how much to a change in the character of the goods, and how much to higher prices.

Almost simultaneously with the delivery of that speech a statement was published by Mr. C. H. Wickens, of the Commonwealth Statistician's Department, that since 1913 production in Australia has decreased, despite the fact that in the case of manufacturers, the amount of horse-power expended has increased. He gave details as to the decrease in the number of stock, and the output of the dairying industry, and the reduction in the production of gold from 2,207,433 ounces in 1913 to 1,273,188 ounces in 1918, and of black coal from 12,414,822 tons to 10,883,146 tons, and of copper from 52,566 tons to 41,402 tons, during the same period.

Mr. McDONALD.—In what newspaper was that information published?

Mr. JOWETT.—That is a report of the evidence given by Mr. Wickens before Mr. Justice Higgins on the 20th September, and published in the Melbourne *Herald* of that day. I believe the same information was published in the morning press. It may be thought that this enormous decrease in the quantities of our primary products since the beginning of the war has been made up for by increases in manufactures. Those who look merely to figures concerning gross values

may find something to justify their views, but Mr. Wickens makes the following statement upon that phase of the matter:—

Adjusted to the 1913 basis by means of wholesale price-indexes the value of manufactures in 1913 was £65,153,286, as against £44,753,512 in 1918. The total value in 1918, however, was £79,571,745, as against £65,153,286.

The actual total value was considerably higher, but the difference is entirely due to increase in prices. As regards the number of hands employed in factories, Mr. Wickens said:—

In 1913 there were 15,536 factories in Australia, and, in 1918, 15,421. The average number of hands employed was 337,101, as against 328,049.

Mr. McDONALD.—It is fair to remark that 300,000 of our young men were out of the country at that time.

Mr. JOWETT.—Quite so, but the latest figures available do not show that we have gained to any considerable extent, particularly, so far as many primary products are concerned.

Mr. HECTOR LAMOND.—We heard something yesterday about wheat which does not confirm that view.

Mr. JOWETT.—I heard a most interesting statement, but it did not clash with anything I have just said. At present, we are expecting an unusually good harvest.

Mr. HILL.—The area under wheat has decreased.

Mr. JOWETT.—In view of Australia's financial position, and remembering our practically stationary production, and not forgetting also the prospect of our having to raise, at very short notice, a sum reasonably estimated at £110,000,000, the great test which we must apply to all the proposed items of expenditure is, "Are they absolutely necessary?"

Whatever may be said in favour of ultimately carrying on the work at Canberra in order to make a home for the Federal Parliament and Administration, there is no necessity to spend money there at present. I recall an illuminating statement delivered by Mr. Watt, in this chamber, on 16th October last year. After going into a most careful examination, Mr. Watt summarized the total initial cost of establishing the Federal Capital

—with all public buildings to be of a temporary character—at £3,250,000. In view of that statement I urge honorable members to consistently search and examine this proposed outlay of £150,000, and to apply as a test the question whether or not the project is absolutely necessary to-day.

**Mr. MACKAY** (Lilley) [11.55].—If the people of Australia were provided with another opportunity to consider the creation of a Federal Capital they would be opposed to expenditure upon it. It is absurd to proceed to build a costly city at Canberra in order to house politicians and public servants only. For many years huge expenditure from revenue would be entailed, and I do not think the Australian people to-day would approve of the project if given an opportunity to indicate their views. With our small population we should wait for many years before indulging in the construction of a capital city. Circumstances have considerably altered since the people originally expressed their views; and, for that reason, it is the duty of the Government to consult the people again. Much has been heard about the Convention, to be held early next year. In connexion with that, there should be afforded an excellent opportunity for the people to express their opinions about proceeding with Canberra. Until the population has very materially increased I hold that the Government will not be justified in going on with the building of the Capital. For many months there has been an organized effort, on the part of those in this Parliament, who advocate the completion of the Federal Capital, to have a sum put on the Estimates in order that work shall proceed. Unfortunately, those who are opposed to the proposition have not similarly organized in order to prevent the placing of an item upon the Estimates. However, I intend to register my vote against the proposal.

**Sir ROBERT BEST** (Kooyong) [11.57].—My sole reason for opposing this proposed expenditure is a financial one. There is not an honorable member who can challenge the statement that Australia is in a seriously embarrassed financial position just now. With much difficulty we have just raised a loan of £25,000,000. There was anxiety concerning whether we

would succeed in that effort, and we are aware that it is not the last loan to be raised. Possibly, it is the last this year, but, certainly, it is not the last to be raised in order to meet the legitimate financial obligations of Australia. And, at a time when the people are demanding economy, it is unwarranted that we should commit ourselves to this item of £150,000. I am ready and anxious to honour all obligations, and this, in respect of the Federal Capital, among others. When we reflect upon our financial situation—as revealed in the Budget—we must be impressed with the good reasons for hastening slowly so far as expenditure upon Canberra is concerned. We have to provide additional taxation to the extent of nearly £4,000,000, and I want to know how this Parliament can justify the imposition of additional taxation to that extent at a time when we are committing ourselves to the piece of wasteful and extravagant expenditure involved in this item of £150,000? I have many relatives in New South Wales, and certainly a large business connexion with Sydney, so that I have had the opportunity of meeting many representative men from that city, and some few weeks ago I expressed the opinion that there was no demand whatever on the part of the people of New South Wales for the creation of this Capital at the present time. I went on to argue that all that the people of New South Wales are concerned about just now, and the people in all the other States, is that there should be a reduction of taxation, and that every legitimate opportunity should be taken to bring it about; and I gave the assurance that, so soon as we could reduce our taxation to anything like a normal character, I would gladly join with others to honour the obligation to create a Capital at Canberra. But when I made the statement that New South Wales was quite apathetic on this subject I little expected to have confirmation so rapidly from one of the highest authorities in New South Wales, Mr. Justice Heydon. He is a gentleman for whom I have the highest personal regard, as every one must who knows him or knows of him. Therefore, when I find that he has committed himself to certain malicious falsehoods in a circular, I can account for it in only two ways.



Mr. HECTOR LAMOND.—Is the honorable member in order in imputing to a Judge of the Supreme Court of New South Wales maliciously false statements?

Sir ROBERT BEST.—I did nothing of the kind. I said I had the highest personal respect for this gentleman, and, knowing that he would not wilfully commit himself to any misstatement or falsehood—I repeat that—when I find his name attached to what are obviously misstatements, I can only account for it in two ways—either that some one has been playfully indulging in what is colloquially known as “pulling his leg,” or that some one has been maliciously misinforming him.

Mr. HECTOR LAMOND.—That is a reflection on the Judge, I should say.

Sir ROBERT BEST.—It is no reflection on the Judge. I would be the last to make any reflection upon one for whom I have the highest regard. By pure accident, a circular, dated the 13th September, and signed by Mr. Justice Heydon, has come into my hands. It is addressed to a certain gentleman who happens to be a friend of mine, and reads as follows:—

Sir,—Will you permit me to urge upon you the necessity of common action to secure the establishment of the Federal Capital at Canberra. The efforts of the league—

He is speaking on behalf of the Federal Capital League.

Mr. HECTOR LAMOND.—Is this a private letter?

Sir ROBERT BEST.—No; it is a letter that came to my hands, and is certainly not marked private. But am I to understand that it would be quite legitimate to circulate falsehoods by means of private letters? Perhaps my friend is a little disturbed at hearing it read.

Mr. HECTOR LAMOND.—No. I am disturbed at this attack on a gentleman of the standing of Mr. Justice Heydon.

Sir ROBERT BEST.—The circular proceeds—

formed for that purpose have been successful in again giving life to the question, and have brought about the laying of the foundation stone of the Capital and a promise by the Federal Ministry of a substantial sum towards proceeding with the necessary work.

Mr. HECTOR LAMOND.—Is that a malicious statement?

Sir ROBERT BEST.—No; I am coming to that part. My point is that, as the people of New South Wales, as I have said, are quite apathetic on this subject, a league has had to be formed for the purpose of beating up any interest whatever in it, and a pathetic appeal is made by Mr. Justice Heydon for £1,000 for a propaganda fund. Subscriptions are invited from all and sundry, and the object is to secure the sum of £1,000 for the purpose of propaganda in order to galvanize the people of New South Wales into taking some interest in this question. That is to say, a subject which is so burning with some of my friends here actually requires the special formation of a league for the purpose of issuing propaganda broadcast to stimulate some little interest in it among the people of New South Wales. The people of the Commonwealth, if they could be consulted in this matter, would say that no more inopportune time could be chosen for indulging in a wasteful piece of expenditure such as is now proposed. The circular proceeds—

This has alarmed Melbourne—

This is news to me, for apart from an occasional article in the press, I have never heard a soul in Melbourne approach the subject otherwise than from the standpoint of “We cannot afford it.” In New South Wales we hear the same protest against extravagance at the present time and demands for economy. At any rate, it is pure imagination, and not true, to say, “This has alarmed Melbourne.” But this is where the malicious misstatement comes in. The circular proceeds—

A counter society with ample funds has been formed to defeat the placing of a sum of money on the Estimates, and to hang the question up indefinitely.

That statement is deliberately and maliciously false. There is not the slightest justification for it, and I defy any honorable member or any person outside this House to prove that any such society has been formed in Melbourne, with ample funds, as stated.

Mr. HECTOR LAMOND.—The day after that circular was issued a meeting was held in this House.

Sir ROBERT BEST.—The honorable member is referring to a meeting of honorable members, representing all the

States, to protest against this piece of extravagant folly; but that is not a society of Melbourne conspirators formed to defeat this item. But what about the conspiracy of the Canberrites? In any case, if the honorable member is merely referring to a meeting of some of my honorable friends, which was convened for the purpose of protecting the fair financial name of Australia at the present time, and avoiding a gross piece of extravagance, it is quite another matter, and illustrates clearly the misrepresentation of which I am complaining; but I want to know where these "ample funds" can be found. However, this method of employing malicious misstatements is the process by which certain gentlemen hope to inflame the provincial animosity of the people of New South Wales, and stimulate interest in a subject in which the people have practically no concern. As I have said, their sole interest is to secure a reduction in the burden of taxation, and not wasteful expenditure of vast sums of money in the establishment of a bush Capital at the present time. Then this circular proceeds to say, referring to Melbourne—

What she contemplates is a gross and cynical breach of the spirit of Federation.

That statement is not correct, and is, indeed, another gross misrepresentation. The real objection to the establishment of the Capital at Canberra, at the present time, is that no money is legitimately available for the purpose. I say, moreover, that, when we hardly know where to turn for revenue, and are deliberately imposing taxation, a proposal to indulge in such wasteful extravagance is utterly unwarranted. What is the scheme? The idea, apparently, is to erect a few shanties or shelter sheds at Canberra. Nothing could lend itself to greater waste of money than a proposal for the temporary erection of buildings.

Mr. AUSTIN CHAPMAN. — There is nothing temporary suggested.

Sir ROBERT BEST.—All I can say is that a Committee which has reported on the subject, said that even to supply temporary buildings would cost £3,250,000.

Mr. JACKSON.—And that was three years ago.

Sir ROBERT BEST.—Yes; and now that the cost of material and labour has

increased by 100 per cent. since then, we are asked to indulge in this wasteful expenditure. It would be a gross mistake to erect a few temporary shanties or shelter sheds to represent nominally the Capital of Australia. If we are to have a capital, let us build one worthy of Australia on broad and proper lines. It would, no doubt, involve many millions of money; but we would enter upon it with our eyes open. That would be legitimate expenditure. We have the right to know from the Government what they contemplate doing with this £150,000; whether it is part of a scheme to supply temporary buildings, or part of a broader scheme which has for its object the building of a permanent capital worthy of the Commonwealth. We have the right, also, to learn from the Government when the Commission which is to advise on this matter is to be appointed.

Mr. AUSTIN CHAPMAN.—Advise on what?

Sir ROBERT BEST.—The Prime Minister promised to appoint a Committee, or Commission of experts to investigate and furnish us with estimates in regard to the cost of building a capital at Canberra. The appointment of such a Commission should necessarily precede the carrying out of the actual work of construction. When is this Commission to be appointed? Is it to precede the expenditure of this money? If not, it adds weight to the argument that what is now proposed on the Estimates will be a deliberately wasteful piece of expenditure. The honorable member for Eden-Monaro (Mr. Austin Chapman) and others can afford to smile at any opposition to this item, because they have the numbers. I have been in the same happy position at times. I have also been in the reverse position, as at present, of putting up the best fight I can. In this regard I have a bitter complaint against the Government. When a deputation waited on him recently, the Prime Minister said that this would not be a party question, and that everyone would be free to vote as he liked, but we learn now that he has refused to permit the members of his Government to vote as they like.

Sir JOSEPH COOK.—Who told you that?

Mr. JAMES PAGE.—Whose Estimates are they?



Sir ROBERT BEST. — The Prime Minister has told certain honorable members, who can speak for themselves, that the members of the Ministry must stand up to the Estimates, and he refuses to permit them to exercise a free vote on this matter.

Mr. JACKSON.—That is quite true.

Sir ROBERT BEST.—Quite true. The honorable member and other honorable members told me that the Prime Minister had said so. If he did not mean that all the members of the Government were to be free to vote as they pleased on this question, then we thank him for nothing, since members of the Ministerial party are all free to vote as we like. The proposed vote of £150,000 for works at the Federal Capital is not to be passed as the deliberate determination of the Parliament. The Government was menaced by the Canberra members, and the Prime Minister, in turn, coerced his colleagues, who are opposed to this vote, in the way to which I have referred. They are not free to act as they please in this matter. I know, of course, of the corporate responsibility of the Government to Parliament, but in the course of a lengthy experience I have known various matters to be treated as open questions, on which members of the Government of the day were permitted to vote as they pleased.

Mr. HECTOR LAMOND.—But surely not on a question involving the honour of Parliament.

Sir ROBERT BEST.—The honour of Parliament is not involved.

Mr. POYNTON.—Did the honorable member ever know of a Government, every member of which could vote as he pleased with regard to its own Estimates?

Sir ROBERT BEST.—I am referring to the statement made by the Prime Minister that this was to be an open question. It is dissociated from the other items on the Estimates by reason of the promise referred to. The item was placed on the Estimates only on the understanding that it was to be openly voted upon by Parliament, and that Parliament, and not the Government, should take the responsibility for the vote given. That is the arrangement under which it was placed on the Estimates. We now find that, instead of the Committee being free to come to whatever decision it thinks fit,

the Government is exercising its own powers, and is strongly behind the movement to secure the passing of the item.

Mr. HECTOR LAMOND.—We can carry it quite easily, without that support.

Sir ROBERT BEST.—Then my friend, and those who join with him in supporting this proposal, are in a very happy position. We have a right to complain, however, of what I regard as a breach of the understanding arrived at. The passing of the proposed vote will not represent a clear and unfettered expression on the part of the Parliament. It will be the result of the coercion of members of the Government, in order to secure a majority.

*Several members interjecting,*

The CHAIRMAN (Hon. J. M. Chanter).—I again appeal to honorable members to restrain themselves, and to allow the debate to be conducted in an orderly way.

Sir ROBERT BEST.—By voting for the item, we shall be committed not only to an expenditure on the erection of shelter sheds and temporary buildings, but to the construction of a railway to link up the Capital with Jervis Bay. Before Parliament can meet at Canberra a vast expenditure will be necessary, in the construction of a railway from the Capital to Jervis Bay. If the Capital is to be effective, it must have a port. That was the view considered by the experts who investigated the whole question. Thus we shall be committing ourselves not only to the wasteful expenditure involved in erecting temporary buildings for the housing of the Parliament, but to the construction of this railway line.

Mr. WATKINS.—When this matter was last discussed, the honorable member spoke of Canberra as "The Bush Capital."

Sir ROBERT BEST.—It is a wind swept bush capital.

Mr. PARKER MOLONEY.—Has the honorable member been there lately?

Sir ROBERT BEST.—I have never been there, but I have been told all about it. We are not at present considering the merits of Canberra.

I ask honorable members to consider this question solely from the financial point of view. I ask them to realize that it would be most unwise to enter upon this enterprise at the present time, since we should have to pay double

the pre-war rates for labour and material, and at the same time would deliberately enter into competition with those who are seeking to build homes for themselves. The lack of housing accommodation in all our big cities is a very serious problem. There is a great shortage of houses, and a most serious scarcity of building materials. Why, then, should we enter into competition with those who are anxious to build homes for themselves? We certainly shall not get full value for our money, and I would put it to the Committee that, instead of sanctioning wasteful expenditure of this character, we should direct our efforts to a reduction of the burdens of taxation. As soon as we return to conditions approximating to normality, I, and others who think with me, will gladly vote for the building of a capital worthy of Australia.

**Dr. MALONEY** (Melbourne) [12.25].— I enter this debate with some diffidence. When the honorable member for Kooyong (Sir Robert Best) and I entered the Victorian Legislative Assembly some thirty-one years ago, the electorate of Delatite was represented by Mr. James Howling Graves, a much-respected man, who from the Ministerial corner in this very chamber, declared one day that, given the support of such a mighty newspaper as the *Age*, he, old man although he was, would be willing to fight any electorate in the State. Having listened to the speeches made by representatives of Victoria in opposition to this proposed vote, the Committee will be inclined to think that that newspaper still exercises very great powers in Victoria. I am convinced that if it published to-morrow a leading article setting out that it was the duty of this Parliament to carry out the pledge that the Federal Capital should be established in New South Wales, the attitude taken up by a number of Victorian members would be very different from what it is to-day. I am going to support the proposed vote. First of all, because a solemn pledge was made on behalf of the Commonwealth that the Capital would be established in New South Wales. I regret that the site selected is not what I should have liked it to be. In connexion with the choosing of a site, the *Age* published some trenchant articles re-

garding the treachery of certain Victorian members who departed from their promises, and helped to secure the selection of Canberra. Canberra, however, was the ultimate decision of the majority of the Parliament of that day, and that is sufficient for me. In the second place, I understand that nearly £250,000 has been wasted on the Federal Capital. If that is so, it has been due to incompetence.

I desire to give credit to the Treasurer (Sir Joseph Cook) for the action he took to prevent the selection of a composite design for the Federal Capital. But for the right honorable gentleman the capital city would have been an abomination, built on lines laid down in a composite plan, prepared by a man who had never won a prize in any great town-planning, or even township-planning, competition, Colonel Miller—God knows where he got his Coloneley—and Colonel Owen—whoever heard of anything that he did—with others, were contemptible and mean enough to steal the brains of the men who submitted plans in the competition for the best design for the Capital. They took a little from this plan and a little from that, and had not the honesty to give credit to the architects of the world whom they had robbed. The following petition was presented to the present Treasurer, who was then Prime Minister of the Commonwealth—

Sir,—We the undersigned architects and engineers in Australia respectfully and urgently petition you to appoint a Royal Commission of professional experts to inquire into and report upon the general administration relative to the building of Canberra, and to review the present built-up design to which so much expert objection has been taken, notably by Colonel W. L. Vernon, V.D., F.R.I.V.A., in the June issue of "Building Magazine."

You are well aware of the uncompromising attitude adopted by the ex-Minister for Home Affairs towards the professional counsel offered him at various stages of the competition, and we recognise in the fortunate turn of the political wheel, an opportunity for yet saving Australia's capital city from the grave constructional disaster that threatens it.

The power that you would have gladly exercised in opposition, you now have the opportunity of putting into effect as Prime Minister, and we can assure you that the exercise of that power is most necessary in this phase of national affairs.

That document bears the signature of 170 of the greatest architects, engineering and otherwise, in Australia. I have to thank the Treasurer (Sir Joseph Cook) for



giving Mr. Griffin his chance in connexion with the designs of the Federal capital; but what chance had that gentleman against the band of conspirators in the Department? Not a dog's chance. Mr. Blacket, who was appointed a Royal Commissioner to inquire into the expenditure at Canberra, said in his report—

The causes that I have mentioned are, I think, mainly responsible for the waste in construction at Canberra. But, in my opinion, tens of thousands of pounds would have been saved if, from the outset, there had been proper consideration for the comfort of workmen. The men who had been employed at Canberra, in almost every instance, had made large savings out of their wages, because there is neither need nor opportunity for much expenditure. If comfortable cottages had been available, efficient workmen would have been anxious to go there and stay there, and no need would have arisen for the engagement of 167 men from Melbourne, and the return of 117 of their number with fares paid, because of inefficiency.

Mr. Blacket also says—

Upon all the evidence, and particularly upon that which has been stated or referred to in the report, I find that the reasons why Mr. Griffin, between 18th October, 1913, and 15th November, 1915,\* performed no substantial part of his duties under his contract with the Commonwealth are as stated in four of the five charges advanced in his behalf, viz., charges 1, 2, 3, and 5, and are as under:—

1. That necessary information and assistance were withheld from him and his powers were usurped by certain officers—

That is the gang of which I spoke a little while ago—

2. That he and his office were ignored, his rights and duties under his contract denied, and false charges of default made against him;
3. That the Hon. W. O. Archibald and members of the Departmental Board endeavoured to set aside his design and to substitute the Board's own design; and
5. That there was in the Department a combination, including the Hon. W. O. Archibald and certain officers, hostile to Mr. Griffin, and to his design for the capital city.

The promise or pledge to build the capital city in New South Wales ought to be kept. Had we gone there long ago, the expense involved in the renting and purchase of public offices in Melbourne, Sydney, and the other capital cities would have been saved. It is now proposed to make the old Turn Verein, in Victoria-parade, Melbourne, into a printing office for printing the Commonwealth notes, and for

that purpose the Government purchased it for £8,000, although an offer was made of £10,000 previously for the property as it stands. All such public offices as this ought to be built at Canberra. We owe a great deal to the Parliament and people of Victoria for granting the Commonwealth Government the use of this Parliament House; and yet we have not had the grace to spend £200 or £300 in making a decent garden, just outside, of what is one of the biggest blots on the beauty of the city. As to the cost of temporary buildings at Canberra, I may say that, by the Works Department of the State I have been informed that the fittings of the State Parliament House, the interior of which is almost a replica of these Chambers we now occupy, cost £30,000; and these, no doubt could be purchased for a much smaller sum and utilized at Canberra. As a matter of fact, the temporary State Parliament House in the Exhibition building is infinitely more comfortable and convenient than this building. I think that the honorable member for Kooyong (Sir Robert Best) is wrong in his ideas regarding temporary buildings. There is not an architect of standing but would advocate permanent buildings at Canberra, even if only the Town Hall of the city were built and utilized for legislative purposes for the time being. Personally, I do not desire to see temporary buildings erected, and, as I said before, much money would have been saved had we got to Canberra long ago. No doubt, the change would mean much to the Melbourne press, but if the Seat of Government were removed to Canberra, those who conduct the daily journals could have special telegraphic arrangements, just as has been the case with the newspapers of Sydney and other places for the the last twenty years. Such an expenditure could not matter to the newspaper proprietors of Melbourne, in view of the large profits they have made in the past, and are said to be making now. If we did as the Swiss Government do, we would be more worthy of the people who send us here as representatives, and be the better able to do our duty to the country.

Mr. HECTOR LAMOND (Illawarra) [12.40].—I propose to refer very briefly to one or two of the arguments used by the honorable member for Kooyong

(Sir Robert Best), who spoke of the need there would be, if we went to Canberra, for the construction of the railway to Jervis Bay.

Mr. PARKER MOLONEY.—Do not forget to say that the honorable member for Kooyong has never been to Canberra.

Mr. HECTOR LAMOND.—Most of the Melbourne authorities on Canberra have never been to the Federal Territory. The first time I visited the place the party I was with had the benefit of the company of two representatives of Melbourne dailies. They were filled up with the stuff that is printed in the Melbourne newspapers relating to the site for the Capital. All the way from Queanbeyan to Canberra we heard nothing but the joke that there was not enough water to put in the whisky in the arid district that had been selected by Parliament. But when one of the reporters saw the Murrumbidgee River he did not know what to say; he could not imagine the consumption of sufficient whisky to need all the water he saw. When we were attempting to cross the Murrumbidgee, one of our most respected senators had to be rescued from drowning—and this, on an area where it was said there was not enough water for the whisky. However, there was worse ahead for the gentleman who represented the *Age*, which has so much influence in Victoria—and nowhere else. He met a chum from the Sydney University, and the two, being interested in nature studies, wandered away from the rest of the party. When the time came for re-union, the representative of the *Age*—or it might have been the representative of the *Argus*—was not to be seen, and much delay was caused. When he did rejoin the party he said that the roar of the Cotter River had rendered them unable to locate the main party, and so they had wandered off the track. I mention this incident just to illustrate the kind of piffle which is served up by co-called great daily newspapers with a view to influence public opinion against any project which they do not wish to see carried out. In no case hitherto has press misrepresentation been grosser, or carried to such extremes, as in connexion with the Federal Capital. The reason is that, at present, these newspapers are at the very heart of the Australian Government, which gives them an

advantage worth thousands of pounds a year. If this Parliament met at an Australian centre, instead of at a Victorian centre, the Melbourne papers would be placed on the same level as the papers of other capital cities; and as their self-interest is apparent, their arguments may be set aside.

As to the remarks of the honorable member for Kooyong, I can only say that the construction of a railway from the main line to a seaport, so far from being a reason for voting against the construction of the Capital, is one of the strongest recommendations of the project. Such a railway will give the prospect of another city and port, and thus tend to that decentralization which we all desire. Federation was achieved because it was arranged that the capital city should be in New South Wales. I have before me a report of the debate in the Victorian Parliament on the proposal to accept the amendments made by the Premiers' Conference in the original Constitution Bill, and it was then recognised in Victoria, as elsewhere, that this concession must be made if New South Wales were to be a party to the Federation. The honorable member for Kooyong says that the honour of the Commonwealth Parliament is not involved; but the question is whether this Parliament—speaking for the whole of Australia—is going to honour the bond solemnly made and ratified by the people in order that New South Wales might join the union. It is not possible to restore the position that existed then. If this Parliament intends to tear up that bond—

Mr. ATKINSON.—There is no suggestion of that.

Mr. HECTOR LAMOND.—Not only is there such a suggestion, but the twenty years' delay in carrying out the compact amounts to a dishonouring of it. I appeal from the present representatives of Victoria, of whom one after the other, yesterday and this morning, with one exception, rose to speak in opposition to the honouring of this bond, to the representatives of that State at the time the bond was made. I appeal from honorable members of to-day, with their narrow views, to gentlemen whose word was their bond, and whose name carried such weight throughout the Commonwealth



that it was said in the New South Wales Parliament that, as Mr. Deakin and Sir George Turner had said that the compact would be kept, we could accept the word of those honorable men just as if it were committed in writing. When objection was taken in the New South Wales Parliament that there was no guarantee that the Commonwealth Parliament would not be kept in Melbourne for all time, Sir George Reid replied, in effect, "The bond to build the Federal Capital in New South Wales has been entered into by men of honour representing the people of Victoria and the other States. We have the pledge of Mr. Deakin, Sir George Turner, and others that it is not their intention to secure for Victoria by this means the right of controlling the Government of Australia, but that the bond will be kept within a reasonable time."

Mr. TUDOR.—The bond was inserted in the Second Federal Enabling Bill by the Premiers of the various States, and not by the Convention.

Mr. HECTOR LAMOND.—That is so. I shall quote to the Committee the remarks made by Mr. Alfred Deakin on the Australasian Federation Enabling Act Amending Bill in the Victorian Legislative Assembly on the 29th June, 1899. Mr. Trenwith had said that he could congratulate the Premier on having secured an arrangement by which the Capital would remain in Melbourne for all time. In the course of his speech, Mr. Deakin said—

With regard to the remarks of the honorable member for Footscray, who I am sorry to observe is not in his place, I will not say they were carefully devised for a malicious purpose, but they will certainly have the effect of furnishing fuel to the flame of suspicion, already fierce in certain quarters, in reference to the Capital. I desire, therefore, to offer a few words in regard to it. In the first place, I agree with the Premier that the reasonable proposition in this matter would have been simply to exclude the Capital cities and any place in their immediate vicinities. It is a desirable thing, from a national point of view, that the Federal Capital of Australia shall be independent of the control of the people of any one Capital of any one Province—that it shall be stationed on its own territory, and entirely free from local influence, so as to give the best guarantee of its impartiality. If the Federal Capital were stationed in or near one of the great cities, there would be a difficulty in persuading the rest of the Con-

tinent that proposals which added buildings and gave employment in the Capital were not designed for the benefit of that Colony rather than of the Commonwealth. Therefore, I should always oppose the establishment and maintenance of the Federal Capital in any great city, including the city and Capital of Melbourne. Yes, much as I owe to Melbourne, my native city, where I have spent my life, and to which I owe all possible loyalty and obligation, I shall vote, as an elector of the Federal Parliament, against any proposal to retain the Federal Legislature here more than its due time. I do not think it will be attempted to be so detained. Our people are too proud to rely upon mere adventitious advantages, and are confident that their metropolis can fulfil its destiny in face of any fair competition. . . . But, since a special district has been set apart for the Federal Capital, I may say that, so far as I have any knowledge of the feeling of the electors of Melbourne, and of the feelings of the members of this House, as well as of the Victorian representatives at the late Convention, there will be no attempt to keep the Capital in Melbourne one single day longer than is necessary. I believe this Colony would feel that such conduct constituted a breach of faith. The people of Victoria would be ashamed to cherish such a prospect, and would resent any such statement as an aspersion on their honour. Be that as it may be, there stands in the Bill a provision that the Capital shall be within New South Wales, and I take it that the Parliament will be removed thither as soon as a site can be selected, and that will be before any lengthy period has elapsed. As the honorable member for Footscray says, the Federal Government will not have sufficient money to build a palatial edifice of this kind, and I trust that half-a-century or a century will be allowed to pass before it lavishes its funds in the erection of a permanent Parliament House such as this. We may rely upon it that a spirit of economy will prevail, and that the Federal Government will take a lesson from the example of the Queensland House of Parliament in Brisbane, and construct a far more convenient and far more suitable building than this for one-tenth of its cost. The Federal Capital, I hope, will be created at an early date, on the most suitable site, not situated as to be under provincial or metropolitan influences, but sufficiently in the interior to give a guarantee to the great bulk of the people of Australia that their interests will be considered apart from the overshadowing influences of any town, class, or caste. I believe that the Federal Capital can be founded in temporary fashion within three or four years of the establishment of the Commonwealth, and I hope to see it during that period able to accommodate the Federal Parliament and its Executive.

I remind the House that it was upon that statement by Mr. Deakin, and similar declarations by the members of the Victorian Ministry, that the people

of New South Wales decided to enter the Federation. The promise was made in order to secure an affirmative vote from the people of New South Wales, and it was the condition upon which New South Wales became a partner in the Commonwealth.

Mr. TUDOR.—The people of New South Wales had voted in favour of Federation before the promise was made.

Mr. HECTOR LAMOND.—But the majority was not sufficient to secure the acceptance of the Federal scheme. My statement is true that New South Wales would not have entered the Federation had not certain concessions been made. Mr. Deakin continued—

I venture to think that the mirthful manner in which the statements of the honorable member were received by honorable members, contrasted with the hearty acceptance with which my own statement on this question has just been received, go conclusively to show, beyond the possibility of mistake that the members of this Assembly are not of opinion that there will be any attempted breach of faith in regard to the Federal Capital. On the contrary, it is agreed on all sides that the Federal Parliament will remain in Melbourne no longer than is absolutely necessary. I must apologize to the House for having had to take up longer time than I expected owing to the very frequent interjections of various honorable members, and because of the difficulty of pinning the opponents of the measure to their own contentions.

I do not desire to add anything to those statements. They express my view in better language than I can command. I believe that, while we remain in the Capital of any State—and I am equally opposed to the transfer of the Seat of Government to Sydney—this Parliament will not have a home, and the people of Australia will have no common centre to which they can look for inspiration, and in which the spirit of Australian patriotism can be developed, and those institutions set up which are necessary before the Commonwealth can develop into the great nation that it is destined to be.

Mr. MAXWELL (Fawkner) [12.55].—I do not intend to give a silent vote upon this question. I resent the imputation upon one's honour that is involved in the statement by the honorable member for Illawarra (Mr. Hector Lamond) and some other speakers, that a vote against the items which are the subject of the

amendment involves a repudiation of the obligation that we are under to New South Wales to remove ultimately to the Capital site at Canberra.

Mr. HECTOR LAMOND.—The word "ultimately" was not used in Mr. Deakin's address.

Mr. MAXWELL.—We are not bound by Mr. Deakin's address. The compact with New South Wales was that the Capital site should be in that State, but not within 100 miles of Sydney.

Mr. GROOM.—The compact was made not only with New South Wales, but with the other States. Queensland is equally interested in it.

Mr. MAXWELL.—Quite so; but a vote against the items of expenditure contained in the schedule does not involve a repudiation of the pledge that was given. The honorable member for Melbourne (Dr. Maloney) has told us that it is sufficient for him that a solemn pledge to remove the Capital to New South Wales was given. It is a remarkable thing that he has kept silent for the last eleven years, since the Canberra site was chosen in 1909, although he knew of the existence of that solemn pledge, and although it was his duty as an honorable man to do what he could to have the Federal Capital removed to Canberra.

Dr. MALONEY.—That is the statement of a paid advocate who does not hesitate to lie.

The CHAIRMAN (Hon. J. M. Chanter).—Order!

Mr. MAXWELL.—It is true, as an honorable member interjects, that for four years preparatory work was being done at Canberra.

Dr. MALONEY.—The honorable member's statement about me was absolutely untrue.

Mr. MAXWELL.—I admit the pledge that was given to New South Wales, and the solemn obligation we are under to fulfil it.

Dr. MALONEY.—I have contradicted your statement, and you have not been manly enough to answer me. You are an infernal liar. Will that fetch you?

The CHAIRMAN.—Order! I call upon the honorable member for Melbourne to withdraw that statement.

Dr. MALONEY.—I apologize for the rudeness, but I will talk to the honorable member for Fawkner outside.



The CHAIRMAN. — The honorable member must withdraw the remark he made.

Dr. MALONEY.—I withdraw it.

*Sitting suspended from 1 to 2.15 p.m.*

Mr. MAXWELL.—Prior to the adjournment I was endeavouring to make my first point, namely, that a vote given against this item would not involve on the part of those who so voted any violation of any pledge given to New South Wales in respect of the Capital site. I now leave that. The way in which I view the matter is this: Since the pledge was given circumstances have completely changed. The situation is entirely altered, necessitating and justifying a postponement of the fulfilment of the pledge originally given. Let us consider what has been done by this Parliament in fulfilment of the original pledge. It took Parliament about nine years to fix on a Capital site.

Mr. GROOM.—The final selection was made in 1908.

Mr. MAXWELL.—Evidently after a great deal of difficulty, the present site was decided upon. Then the Parliament began to lay the foundations of the Capital and do a certain amount of preparatory work; and I understand that since then there has been spent on the Capital site something in the neighbourhood of £2,000,000. In 1914 the disastrous war occurred, and it and its consequences have overshadowed everything else ever since. In company with several other honorable members, I visited the Federal Capital site about two years ago, so that I am not open to the charge of the honorable member for Illawarra (Mr. Hector Lamond) that those who speak from the Victorian point of view have never seen the site. I noted the shameful—the criminal—waste of money that had gone on there; and I mingled my tears with those of the honorable member for Illawarra as we gazed upon the lamentable spectacle.

Mr. RICHARD FOSTER.—Does the honorable member suggest that it could make his companion weep?

Mr. MAXWELL.—The war has saddled us with an almost intolerable burden of debt. It is constantly insisted on, and stressed in this House, when any question of spending money arises. Our debt is such that every honest man and every honest Government must be determined that not

one penny shall be unnecessarily spent until this debt has been discharged. There are various pressing claims which are not properly recognised in this community, but which we would like to see adequately met; claims which are being constantly pressed—the claims of the aged, the blind, and the invalid. Whenever appeals on behalf of these interests are made we are told that Australia cannot afford more. We are told, "Wait until times are a little better; and we will see that all these things are put right." We have had to cut down our Defence vote very drastically; and adequate defence, after all, is the guarantee of our national safety. Expenditure has been cut down—we are told by our experts, on whom we must rely—to the lowest possible point consistent with national safety. Now, what are we asked to do? We are desired to spend £150,000. For what? There is not a single honorable member who will be voting to authorize the expenditure of this sum who can say that he knows how it is to be spent.

Mr. WEST.—Speak for yourself.

Mr. MAXWELL.—I venture that as an opinion, and I am judging, for the most part, from the tenor of the speeches hitherto delivered on the subject. I repeat that not one member of this Committee knows how that money is to be expended. When information has been sought of the Government we have been referred to the Estimates. There, I find that £90,000 is to be spent on initial settlement. Is there an honorable member who knows what that means, or what it involves? What is intended to be done with that £90,000? We are told that another £60,000 is to be expended in preparatory works. Preparatory to what? The grand total of £2,000,000, to date, has been spent in preparatory work, has gone in initial settlement. And what does it amount to? To nothing, so far. We have not been given a single word of explanation by the Government concerning what initial settlement means, and what preparatory works are to be undertaken. The last time I heard, in this House, any justification for expenditure on the Federal Capital site was when an explanation was tendered by Mr. Watt. The then Treasurer was justifying some proposed expenditure upon the Federal Capital, and he said that money was to be expended in preserving work already

done. It was pointed out that, if it were not expended, that which had been already spent would be practically lost. One can understand that argument. One can appreciate that, money having been spent, it should not be lost altogether; and we were willing that an additional amount should be disbursed to retain that which was extant. But, staggering, as we are, under our burden of accumulated debt, and determined, as we are, that nothing shall be spent which is not absolutely necessary, we are nevertheless asked to agree to the expenditure of another £150,000 upon this precious Capital site, for "initial settlement" and "preparatory works."

Mr. WATKINS.—Then, so long as things are merely kept alive the honorable member is content?

Mr. MAXWELL.—I am content until the time arrives when, in the estimation of honorable members, we shall be justified in incurring further expenditure in regard to that site.

Mr. HECTOR LAMOND.—The time has arrived.

The CHAIRMAN (Hon. J. M. Chanter).—Order! Will the honorable member please resume his seat. I have made several appeals during the debate for honorable members to cease their constant interjections. I now insist upon their doing so.

Mr. MAXWELL.—The honorable member for Illawarra is fond of interjecting, and in a virulent style; but, in the course of his speech, I would remind him he did not offer one word of proof concerning the necessity for the expenditure of this money. He harped on the one string, namely, that we were in honour bound to make this expenditure. He quoted the speech of the late Mr. Deakin, delivered before the consummation of Federation. That was the honorable gentleman's one string. He harped upon it.

Mr. HECTOR LAMOND.—I harped upon the one string which the honorable member harped upon when the Kaiser's armies were in Belgium.

The CHAIRMAN.—Order! I again remind the honorable member that he is not in order.

Mr. HECTOR LAMOND.—I am sorry; but I am being continually personally attacked.

The CHAIRMAN.—The honorable member knows that he has the right of redress.

Mr. MAXWELL.—I am not attacking the honorable member personally, but I am criticising his so-called arguments.

Mr. WEST.—The honorable member for Illawarra need not be down-hearted.

The CHAIRMAN.—Order! If the honorable member for East Sydney refuses to obey the Chair, the Chair will have to take drastic action. On the next occasion of his transgressing I shall be compelled to name him.

Mr. WEST.—My pity goes out to the honorable member for Illawarra.

The CHAIRMAN.—Order!

Mr. MAXWELL.—The honorable member for Illawarra did not offer one word of proof concerning the necessity for transferring the Federal Legislature to Canberra. The one string on which he played was that we were, and are, in honour bound to fulfil a pledge. It is a matter of common knowledge that if a man honorably incurs a debt and finds, subsequently, that circumstances have so changed as to make it impossible for him to meet that debt, no one would say that he was in honour bound to pay. And, if he were haled before a Court of Justice, what would be the procedure? His circumstances would be inquired into, and if it were satisfactorily shown that since incurring the debt his circumstances had so changed as to render it impossible for him to meet it, the Court would say, "We will not insist upon your paying, but will wait until your circumstances are such as to permit you to meet your honorable obligation." The debtor would not be repudiating his obligation, but would be simply postponing the hour of his meeting it. That is the position of the Commonwealth to-day. Our circumstances, since we gave our pledge, have very materially changed.

Mr. MARKS.—But the contract is not changed.

Mr. MAXWELL.—I agree. The contract stands. I do not want to repudiate it. I want to postpone its fulfilment until—



Mr. HECTOR LAMOND.—The day of judgment.

Mr. AUSTIN CHAPMAN.—That is a very busy day. Say the day after.

Mr. MAXWELL.—No; but until we can be reasonably expected to fulfil it. What is the reason for all the heat engendered by this proposition? I said, a few weeks ago, upon my return from a visit to New South Wales and Queensland, that, in conversation with all sorts and conditions of men, I had found no anxiety for the removal of the Federal Parliament to Canberra. That opinion has received striking corroboration from the letter read by the honorable member for Kooyong (Sir Robert Best) to-day. When we find that it is such a burning question in New South Wales, this anxiety to have the contract fulfilled—

Mr. MARKS.—No; but to keep you up to it.

Mr. MAXWELL.—Very well, to keep us up to it. I do not care how the honorable member phrases it. The anxiety of the people of New South Wales is so great that it has been found necessary to form a league whose function is to try to whip the people of the State into a condition of taking interest in this question. What rendered the formation of that league necessary was the fact that the people of New South Wales did not care a snap of the fingers whether the Seat of Government was removed to Canberra or not; and when we are told that the league was formed for the express purpose of re-awakening interest in the question, all I have to say is that it shows that the people of the State are nothing like as enthusiastic as are their parliamentary champions. It has been rather interesting to compare the attitude of honorable members of the Opposition in respect of this vote of £150,000 with their attitude on the vote for defence purposes. When the Government came down and told us that their experts had been through the Defence Estimates, and, after considering them carefully, had cut them down to the lowest possible point, and that every penny on the schedule submitted to us was necessary for the defence of Australia, what was the attitude of honorable members opposite in regard to a question of such vital interest to the whole Commonwealth? They said, "We want to know how that money is to be spent. You have

not given us any information; and, on the score of economy, and because of the debt we have to face, we ought to cut the vote down, not by £1, but by £2,000,000." One could understand and appreciate that attitude being assumed by honorable members who claim to be economists, and say, "We are out for economy. We believe, as every honorable member does, that everything ought to be done for the proper defence of Australia, and if it can be shown that this expenditure is necessary for that purpose, we are willing to grant Supply." But, while honorable members opposite submit the Defence votes to most careful scrutiny, they do not ask for any information when the Government come forward with a proposal to spend £150,000 at Canberra on "initial settlement" and "preparatory works." They do not say, "What are you going to do with the money?" but at once say "Certainly. We will give you every penny of it, without a word of explanation." And the honorable member for Kennedy (Mr. McDonald) pertinently interjected, "Why, it is not half enough." Of course it is not. What is the use of spending £150,000 in this direction? It is a mere drop in the bucket.

Mr. AUSTIN CHAPMAN.—It is the first instalment.

Mr. MAXWELL.—A first instalment; after we have already spent about £2,000,000! I can imagine the Government getting into their room and discussing the question of the grant for Canberra, and saying, "What on earth are we to do about Chapman? We cannot stave him off with promises all the time. We have been promising him something for a long time, and now we must give him something." Some one probably suggested, "£150,000 is neither here nor there. Let us put down that amount for Canberra. It will please Chapman, and will do no harm." But the next difficulty facing the Government was how to explain what they proposed to do with the money; and I do not know who was the bright genius in Cabinet who suggested this very ingenious way of covering the purpose for which the money was to be voted—"initial settlement; preparatory works." This might mean anything or nothing. However, here is this item of £150,000—a mere drop

in the bucket—which cannot represent any substantial work, but serves to quieten these parliamentary champions of the transference of the Seat of Government. I congratulate Ministers on this astute move on their part. They have got out of a difficulty very well, and very cheaply.

Mr. MARR.—Cheap dirt!

Sir JOSEPH COOK.—Hear, hear! It is unworthy of the honorable member for Fawknor.

Mr. MAXWELL.—I do not know what the Treasurer means. I exercise my judgment, and what I have said is my honest reading of the situation, as it appears to me, so that it ill-becomes the Treasurer to call my *bona fides* in question, and say that something I have said is unworthy of me. He asks me to submit to or rather consent to expenditure of this kind without giving me the slightest idea as to how the money is to be spent. We have not had one word of explanation.

Sir JOSEPH COOK.—I am not asking the honorable member to submit to it. I am asking him to please himself.

Mr. MAXWELL.—And I am pleasing myself, and doing what I consider to be my duty. Wherever possible I am anxious to cut down expenditure. My view is that not one single penny we need not spend should be spent, and if I can fasten on to an item of this sort where it can be clearly demonstrated that no necessity exists for spending money, it is my duty to say so. And I maintain that if the Government, when they are challenged, do not offer any explanation, or tell us where the necessity for the expenditure of this money lies, it is a perfectly legitimate construction for me to place on their attitude to say that this is a mere sop to stave off honorable members who advocate the transference of the Seat of Government from Melbourne to Canberra.

Sir JOSEPH COOK.—And I say that the honorable member's remark is unworthy of him.

Mr. MAXWELL.—In a nutshell, this is my attitude upon this question. A pledge was given to New South Wales, and ought to be kept. But at one stage, there was admittedly reason for postponement, and I maintain that that reason still exists. Therefore, the question is whether it is necessary to spend this money

now, or whether justification exists for the further postponement of the fulfilment of the pledge to New South Wales. Because I am firmly convinced that this expenditure is at the moment absolutely unnecessary, I propose to vote against it.

Mr. GROOM (Darling Downs—Minister for Works and Railways) [2.40].—The speech which the honorable member for Fawknor (Mr. Maxwell) has just delivered was amazing, and I am confident that when he applies his legal mind to the cold proofs of his remarks, he will find how inadequate the grounds have been upon which they were founded. He has made a gross insinuation against the Government and the very improper charge that this vote is a sop thrown out to particular members. There is not the slightest foundation for such an unwarrantable assumption, and it is certainly quite contrary to the announced policy of the Government right through. Before the war certain progress was made in connexion with the building of the city at Canberra. Works were being carried on regularly. However, when the war broke out the expenditure ceased, so much so that during the year 1917-18 only £4,232 was spent there, and in the following year the expenditure was reduced to £936, while during the last financial year it was only £3,575. The honorable member says that circumstances have changed. That is true. The war has ceased, and, therefore, there is an obligation upon the Government and Parliament to proceed to fulfil the terms of the Constitution. At any rate, the attitude of this Government was announced last year quite clearly and emphatically in the Budget speech.

Sir JOSEPH COOK.—Yes, to resume the programme, but not to initiate a new one.

Mr. GROOM.—The Government announced, in October, 1919, prior to the elections, that it was their intention to proceed with the construction of the Federal Capital at Canberra, and when we came back here among the first pronouncements by the Ministry was a statement of our intention to resume the work. Many wild statements have been made to-day. For instance, the honorable member for Fawknor has said that we propose to continue wild extravagance. He went to the Territory, he told us, but could not see where the money had been spent.



Mr. MAXWELL.—I did not say that I could not see where the money had been spent. I certainly saw where it had been spent.

Mr. GROOM.—The honorable member said that the money had been spent unwisely, and all I say is that he did not take a discriminating mind with him to Canberra. The total expenditure at Canberra to the 30th June, 1920, has been £1,738,639 3s. 6d. Of that amount, £740,149 has been spent on the resumption of land within the Territory, and £980,703 on the cost of the establishment of the city. There may or may not have been some justification for the charge that the cost of certain work was excessive, but when we come to the actual expenditure, and examine it fairly and squarely, which we have had to do administratively, we all must admit that it has been incurred on works that are essential for the carrying out of the scheme. On the power house, £111,852 has been spent. Power is the very basis of the construction of a city, if the work is to be carried on effectively and cheaply. On providing a water supply £244,218 has been spent. It is one of the finest water supplies in the Commonwealth, and an effective scheme, and there has not been any waste or unnecessary expenditure upon it. For the sewerage of the city, £39,849 has been spent out of a total of £79,000 set aside for this purpose. On brick-works £45,418 has been spent. We cannot build the city without bricks, and the bricks turned out in the Territory are pronounced to be equal to the best bricks produced in the Commonwealth. This is the opinion of men who know what they are talking about. On the railway £57,534 has been spent. That is a very essential work. On administrative and other buildings £58,998 has been spent. On roads and bridges the expenditure has been £83,521. It must be remembered that the surveyors went into virgin country, through which they had to construct roads, which are essential to the laying out of any city. There is a large quantity of timber stored at Canberra for seasoning purposes, and this has cost £20,944. These are the items upon which the money has been spent in the Territory, and it is, therefore, idle to set up the stupid and scare-crow cry all over the country of wasteful

and useless expenditure so as to bring discredit on the Capital.

Mr. HECTOR LAMOND.—We are paying interest all the time on the money so expended.

Mr. GROOM.—On a portion of it. Some of the expenditure, however, was provided out of revenue. These works having been carried out, the time now comes for the fulfilment of the compact. The honorable member for Kooyong (Sir Robert Best) this morning made a significant statement to the effect that "I have never heard any one in Melbourne deal with this subject except from the stand-point that we cannot afford it." Some of the people of Melbourne refuse to discuss it from any other point of view. Their sole plea is for "delay, and yet delay." They say to the Government, "You must not fulfil this obligation, because we cannot afford it." We can afford to carry out other undertakings, and the Commonwealth must always afford to honour its national obligations.

Dealing with the question of general policy involved, I would remind honorable members that the Federal Convention embodied in the Constitution the provision that the Federal Capital should be established in Federal Territory, so that the Commonwealth Parliament should have a home of its own. It was the intention of the Convention that the Seat of Government should not be in any State capital. When certain Melbourne residents say to me, "I would be quite prepared to see the Seat of Government removed to Sydney," I point out to them that that would not be an honouring of the compact, and I invite them to work out what it would cost to resume in Sydney the areas required for the building of Government House, Parliament House, and other Federal public buildings. The capital value of a site in Sydney for Commonwealth offices alone would more than represent the cost of the Federal Territory. The Federal Capital, when established, will be, to a large extent, self-supporting. If the Territory is properly managed, and the leasehold arrangements satisfactorily carried out, the revenue so obtained will go a long way towards paying a great deal, if not the whole, of the interest on the cost of our public buildings there.

I do not propose to go fully into the main issue involved, since the Parliament, by its previous legislation, has already decided it. The only plea now advanced is that we should delay the work of building the Capital because we cannot afford the expense which that work would involve. I wish it to be clearly understood that if this proposed vote be passed, the Government will proceed forthwith to carry out the intention of the Parliament.

Mr. MAXWELL.—That is no information.

Mr. GROOM.—The honorable member complained a little while ago of lack of information on this question. May I ask him whether any information we could give him would cause him to vote for this proposed expenditure?

Mr. MAXWELL.—Yes; if the honorable gentleman could satisfy me that the expenditure is necessary to maintain the *status quo*.

Mr. GROOM.—No matter what information we give some honorable members, the only answer we receive from them is a refusal to honour the obligation on the ground that we cannot afford to build the Capital. This proposed vote is for the initial settlement and preparatory work. I invite honorable members to consider for a moment what a big undertaking like the construction of the Federal Capital will involve. We must provide Houses of Parliament and administrative buildings, as well as residences for the artisans and their families who are to be transferred to Canberra. Then, again, the work involves the laying-out of the city, the provision of drainage, sewerage, and electric power, the formation of roads, and the general organization of the city. This work will be carried out by a large number of men, and regard for their health and the provision of reasonable conditions of employment for them must be the prime considerations. This vote has been carefully thought out. It will be used in laying-out the roads proper, on construction work, the drainage of camps and buildings, and water supply distribution. Above all, the housing of the workmen and their families must be attended to. The proposal makes immediate provision for something like 200 families, who will have to be housed

at the Capital, and provision is also to be made for preparatory water supply distribution. Then, again, the necessary plant and materials have to be required. In that direction we have already taken action. The intention of the Government is that if this proposed vote be agreed to the work shall be immediately proceeded with. The Government intend to honour the obligation of the Commonwealth, with due regard to economy and efficiency, in the hope that we may be able to make a start with the building of a Federal City that will ultimately be the pride of the Commonwealth.

Mr. ANSTEY (Bourke) [2.50].—Whatever may be the value of this debate in relation to the Federal Territory, it has certainly been instrumental in giving us cheap, and, what may prove to be, useful legal advice. Most people hold the view that a man's obligations, whatever they may be, must be met to the extent that his assets will allow. According to the honorable member for Fawkner (Mr. Maxwell) that is not so. If there is any such requirement on the part of the law, it can be overcome. I am very pleased to have the information. It would seem, from the honorable member's statement, that if a man contracts to pay £1,000 and does not want to pay it, he can go before a Court, get the right sort of Judge, and obtain from him the decision that he need not pay. I shall be very pleased to obtain through the honorable member entrance to such a Court, and an appearance before such a Judge. If I can do that, I shall give him something to do. In the second place, the honorable member and those who share his views are quite confident that in "fine frenzy rolling" they may storm against the Government in the sure and certain hope that the Government will not be defeated. Let them thank God for that. This Government has to go on. No vote of theirs will threaten its stability. That being so, these honorable members may say with absolute sincerity, honesty, and safety what they wish to say in accordance with the desires of the newspapers of the States from which they come. Why is it that we have such a division of parties on this question? Why is it that we find parties forming on new ground? Why is it that we have no longer, so far as this matter is concerned, a National, a Labour, or



a Country Economy party? The answer is that on this question honorable members are grouped into parties according to the States from which they come and the opinions expressed by the newspapers published in the capitals of those States. It is on the opinions expressed in the State capitals and their newspapers that our national policy, principles, and consciences are established. The honorable member for Fawcner says that he is on solid ground in opposing this proposed vote. It is not for him to listen to the opinions of the daily newspapers. It is not for him to listen to the opinions expressed by citizens of the State of which he is a representative. He is animated by the noblest and loftiest spirit of patriotism and the most deadly desire to economize. He has been to Canberra, and the sights that he saw there brought tears to his eyes. His tears were probably mingled with the whisky which was provided, as on the occasion of my visit to Canberra, by a benevolent Government to give him the correct vision. He is, I understand, very anxious as to the principles at stake. Those who come from New South Wales, however, are influenced by the opinions expressed by the leading newspapers published there. In order to come to a conclusion as to the way in which honorable members will vote, one has only to ascertain from what States they come. It is not necessary to ask on what side of the House an honorable member is sitting, or to what particular party he belongs, in order to ascertain how he will vote on this question. All that we have to do is to ascertain from what State he comes and what are the opinions of the leading newspapers published in that State.

Mr. STEWART.—To what influences is the honorable member subject?

Mr. ANSTEY.—To any influence that is pleasant. I have already informed the honorable member for Eden-Monaro (Mr. Austin Chapman) of that fact. Is not the honorable member for Fawcner the very man who, when this House was indulging in a rabid discussion on what is known as "the salary grab"—

The CHAIRMAN (Hon. J. M. Chanter).—Order! The honorable member may not discuss that matter.

Mr. ANSTEY.—I must not refer to the increase in members' allowances as "the salary grab"? Very well, sir; I was merely adopting the vernacular of the daily press of this city. I have as

much reverence for the Parliamentary Allowance Act as has any member of this House, and it is not in terms of disparagement that I would refer to it. Was it not the honorable member for Fawcner who, when that Bill was before the House, imposed upon himself a self-denying ordinance, and said that if this Parliament were meeting in any other city he would not be able to attend its sittings? Did he make that statement?

Mr. MAXWELL.—I did.

Mr. ANSTEY.—Did the honorable member say that if the Federal Parliament were meeting in any other city he would not be able to be a member of it, since it would interfere with his private practice? Could he permit his private practice to come between himself and his country? If it be true that in that event he could not devote his time and attention to the affairs of his country for which he receives the remuneration he deserves, what would happen if the Seat of Government were removed to some other State? Would the country lose the honorable member's valuable services? If that be true of the honorable member, may it not be also true that because we are meeting here the country is losing the services of men no less capable or sincere who cannot give their time to the work of Parliament here, because they practise their professions or carry on their business in other States?

Some one has said that there are big political humbugs just as there are humbugs in the field of religion. I have heard or read of that statement. It might have been made in some other sphere, but I take it that whoever was responsible for it spoke from experience. Those who hold that view could have no better vision than when they see themselves reflected in the mirror of human history. If looking at themselves they express that opinion, I, looking at my own image in a mirror, might say—despite my public utterances—whatever there may be in the sphere of religion, there are undoubtedly humbugs in politics. This proposal on the part of the Government is, after all, a piece of political humbug. The Government are, indeed, in a parlous position. They are driven by the necessities of the situation to fulfil what they regard as an obligation, and they are torn to pieces by two factions. One faction is composed of believers in the fulfilment of an honest compact, because they live in a

particular locality in the State with which it was made; and the other is made up of those who oppose it, also because they live in a particular locality where the compact is not regarded as an honest obligation. What are the Government to do with such a crowd of followers, and with us on this side, who are in the same boat? What are the Government going to do with the newspapers, which are also divided on the question, according to the locality in which they are published—which turn down conceptions of national policy for the well-being of the people, and are all the time counting votes? The honorable member for Fawkner (Mr. Maxwell) wishes to know what will be the attitude of those who last night strenuously opposed the expenditure of £2,000,000 for defence under the Works Estimates, and are now going to vote in favour of this expenditure of £150,000. The honorable member does not put that question to me, for he knows I represent Victoria; although nobody knows where my vote will go until I give it. The honorable member wishes to know how the two attitudes can be reconciled; but we can reconcile ourselves to any position; it all depends on circumstances and environment, of which we are the creatures. I can justify the position I took up last night, and on the same principles that appeal to the honorable member to-day but were dead to him last night—on the ground of the consequent heavy taxation, which appeared to him as nothing last night, but which now appears a tremendous burden, though the amount involved is only £150,000, and not £2,000,000. These remarks apply also to the honorable member for Kooyong (Sir Robert Best). Did anybody ever see such easy swallowing of a camel, or such tremendous straining at a gnat? But, of course, everything depends on the attitude of the daily press in the particular State from which an honorable member comes. I last night objected to the expenditure of £2,000,000, not merely because of the great burden imposed on the country, but on the ground that it was a sheer waste of public money, which there was nothing in the immediate future to justify. Something has been said about workmen's cottages; but workmen's cottages appeal more to

Mr. Anstey.

me than does a dock-yard or an arsenal. A workman's cottage is at least a home, but what kind of a home will a dock-yard or an arsenal furnish? Railways are a public utility, and open up the country; and I feel more inclined, on national grounds, to vote for a railway than I do to vote for an instrument of destruction. If, in the interest of the country, I am called on to vote £5,000 for a railway or £5,000 for a war-ship, my vote will go for the railway. The completion of a railway is useful work, and septic tanks and sewers are conducive to the health of the community; whatever the value of the argument may be, these are public utilities. Honorable members wish to know how I am going to vote. In view of the support of the press, or the press denunciation which might be avoided, I might as vigorously oppose this expenditure as I did the Defence expenditure last night. There are honorable members who are no longer politicians, whose utterances and votes are formulated for them, not by the necessities or by the pros and cons of the situation, but according to purely local circumstances. If the Government is wise, and wishes to please everybody, they will see that this £150,000 is voted. That will please those who desire the expenditure; and the honorable member for Eden-Monaro (Mr. Austin Chapman) will be able to show that he has "perished in the attempt" to secure the creation of the Capital; it will also please honorable members from Victoria when they find that the Government really do nothing when the money has been voted. The Government could just as easily have put £2,000,000 on the Estimates, for when it is passed, they need not spend it, but may go on to build a surplus out of it. That would be masterly finance, for it would secure the approval of all, although we had been given an assurance that the Government was going to spend this money. Honorable members have heard what I have to say, and will know afterwards how I propose to vote.

**Mr. WIENHOLT** (Moreton) [3.7].—When I heard that the Government really intended to spend money on the Federal Capital, I realized the truth of the old saying that "Those whom the gods would destroy, they first make mad." I warn the Government that this



is the second measure, since I entered Parliament, which arouses strong resentment outside. I think I can say there is not a member of the Country party more sympathetic than myself to the Government, or more inclined to give them fair and generous support in carrying out their policy; but when they propose expenditure of this sort, they seem to me to resemble that honest but unromantic animal which, when thrown into the water, finds that, in its efforts to swim, it only succeeds in cutting its own throat. Amongst the proposed works at the Federal Capital is the erection of theatres; and when I mentioned that fact at my election meetings I could judge, by the ironical laughter, what the Queensland people thought of the idea. We have heard of a certain historical personage, well but unfavorably known, who is said to have fiddled while Rome was burning; and it would appear that the Government are going to watch musical comedies in a theatre at Canberra while Australia goes bankrupt. I heard some wild speeches last night; and while I do not agree that, in order to defend ourselves, we ought to throw away our arms, yet I observed and agreed with those honorable members who, in dealing with the Defence Estimates, drew attention to the serious debt hanging over Australia. I am prepared to do what I do not think many members of the National party are prepared to do, namely, give my support to the Government in any proposal for a fair and reasonable wealth tax, in order to reduce that crushing burden. But to spend money in the way proposed on the Federal Capital under present circumstances is the greatest piece of folly of which I ever heard. An owner of a property may for very sound reasons desire to remove his house and homestead to another part of his land, but he will wait until he is clear of his mortgage and can afford the money. Australia, however, has made no preparations for clearing off her mortgages before moving her house, but is getting even more heavily into debt. The honorable member for Bourke (Mr. Anstey) says that he would rather vote for a railway than for a war-ship; but I am afraid if we do not vote for the war-ship, we shall only build the railway for somebody else's

use. However, I hope the House, by a big majority, will refuse to sanction the proposed expenditure, and that we shall hear no more of this sort of nonsense.

**Mr. ATKINSON** (Wilmut) [3.13].—I have no desire to see the compact made with New South Wales broken, but I protest against the proposed expenditure at this present time. I see no breach of compact in postponing this work still further, now that twenty years have lapsed since Federation was inaugurated. It would be simply frittering away money to spend it in the proposed small annual grant. I have no objection to the building of the Federal Capital; but, before it is undertaken, a proper scheme should be outlined, and we should have a reasonable prospect of completing it. If this Territory were handed over to a commissioner, or body of trustees, there might be some chance of success; if such a body had power to pledge the area and raise sufficient money, and went to work in a proper way, the Seat of Government might in a few years be at Canberra. But the mere expenditure of £150,000 this year, and a similar amount in the next year, will not ever get us to Canberra. The time has come, and nobody should know it better than the Treasurer, when no money should be expended for other than necessary work. This is not the time for looking about to see what projects can be started; rather should the Government be endeavouring to discover what expenditure they can do without. For all the good that the expenditure of £150,000 will do to benefit New South Wales, or advance the fulfilment of the compact to establish the Federal Capital in that State, we might as well not vote the money at all. The country is faced with the responsibility of finding so much money that I hope the Treasurer will realize the necessity, if not in regard to this item, at any rate when other items on the Estimates are reached, to reduce expenditure so that no obligations shall be incurred that are not absolutely necessary. The only items I shall support in connexion with the Federal Capital are those which the Government declare are necessary for the maintenance of works already carried out. The amount of £150,000 will not do much more than that. The initiation of new works and

buildings at such an inopportune time will mean absolute waste of money, and will not contribute one iota towards honoring the compact that was made with New South Wales before the Federation was established.

**Mr. CAMERON** (Brisbane) [3.16].— I intend to support the amendment, and I desire to state, briefly, my reasons. I stand for honouring the compact with New South Wales. It was included in the terms upon which the States federated, and I will not sanction any delay with the mere object of avoiding our constitutional obligation. But, having regard to the financial position of the country, and the great burden of debt and taxation under which we are labouring, due, no doubt, to the obligations contracted in connexion with the war, I feel that we should not at this period enter upon the proposed expenditure. The time is inopportune for the proposals that are before the Committee, and for that reason only I shall vote for the amendment.

**Mr. BRENNAN** (Batman) [3.18].— Until this afternoon I was not aware that the Federal Capital was a matter of such interest to members. The lively interchanges we have heard have been a veritable oasis in the chain of recent dull debates to which our duties have condemned us. For once in my life I feel a great deal of compunction about the vote I propose to give. I find myself in the unenviable position of having the appearance, for once, of supporting the Government. I have been examining my conscience for the purpose of determining whether, in any circumstances, I would be justified in pursuing so unusual and dangerous a course. I have been influenced very largely by the sordid parochialism of the honorable member for Mlawarra (Mr. Lamond) to vote against the proposals of the Government, and the fact that for even a brief minute in division I may be brought into close juxtaposition towards that reactionary ex-Laborite makes me doubt whether my judgment on this question is sound. The only comfort that comes to me in the invidious position in which I am placed is that I am opposed, as I hope I always shall be, to the Melbourne newspapers on this question. Whilst they are against the Government, and the Government are against them, there must be some em-

barrassment in the situation, although it is not without its compensations. It is said that we should keep the pledge that was embedded in the foundation work of the Constitution to establish the Federal Capital on New South Wales soil and at a sufficiently respectful distance from the sacred person, so to speak, of Sydney. I do not recognise this claim about honouring a pledge, if by it is meant that this Parliament is bound by any legislative Act, or, for that matter, by any constitutional limitations of twenty years ago, provided this Parliament, or the people, as the case may be, decide upon a new policy. This Parliament never binds future generations; neither did the founders of the Commonwealth. The pledge in regard to the Capital remains what it was—an expression of the opinion of the people at that time—and let us be thankful that our constitutional obligations, as well as our parliamentary obligations, may be discharged by registering at any time the altered views of the people. So that the claim in regard to the honouring of a pledge does not appeal to me. At the same time, the pledge does and will remain until in a deliberate way this House, or the people on their being consulted, alter it. Up to the present time they have not done so. We have done neither one thing nor the other. We have not proceeded with the building of the Federal Capital in any wholehearted spirit, nor have the people of this generation revoked what the people of a past generation did. I do not say that the foundation of the Federal Capital is a gravely urgent work by any means, but as we are to have something in the nature of a test vote upon the question, I take this opportunity of saying that the main reason why I support the project to-day is that I recognise in the Federal Territory a great and truly Australian area. In fact, it is the one Australian area, in the true sense of the term, that we have. It is not without precedent in the history of the world, but for the first time in our history we have an opportunity of founding a city on territory which will remain the property of the whole people, instead of becoming the property of the land monopolist and speculator. Knowing something about the increase in land values



that rapidly follows the advance of civilization, I have abundant confidence that the Federal Territory will shortly become, with the transference of the Federal Government, not a burden, but an asset, and a productive blessing to the people. The honorable member for Fawkner (Mr. Maxwell) has directed our attention to the obligations which we owe to the old and infirm in respect of pensions, and, generally, to the tremendous financial burdens which rest upon the country. I recognise those obligations, and it is for that reason that I oppose some proposals for the creation of additional debts. But I am bound to remind the honorable member that he has the doubtful political honour of belonging to a party which has been very slow in supporting honorable members on this side in their endeavour to do a greater measure of justice to the old-age pensioners and others. In the Federal Territory we have an area of no less than 583,660 acres, equivalent to about 900 square miles. At least, it is country of fair average quality, and as it has the advantage of one of the deepest ports on the Australian coast at no great distance, I have very little doubt that it will develop into an asset worth all that is calculated to be spent upon it. And there is something in the claim that the National Parliament should legislate from its own home, from a national house. I am not one of those who are greatly influenced by the allegation that we are too press-ridden in the city of Melbourne. We of the Labour party do not succumb to press influence; we have lived and prospered, not because, but in spite, of the press, and it is unlikely that we should run away to Canberra on account of the vituperative attacks that are constantly made on Parliament by the Melbourne newspapers. But whilst we are not influenced by these considerations, we do acknowledge that there is some claim to have the government of a continent proceed from a national Capital owned and controlled by the people of Australia. I am indebted to Mr. Frank Cornwall, a publicist of Melbourne, who has taken great interest in political questions, particularly land settlement, for a lengthy circular, illuminating in a very interesting way the

advantages which have accrued from the establishment of municipalities and cities controlled by the people for the people, and where the unearned increment on the land has flowed into the popular coffers instead of into the pockets of private speculators. In that circular, amongst other things, he says—

It is not only ultimately that the Capital may be considered an economic factor in Australia, for, from the moment of its establishment 200 miles from the nearest industrial centre, it will open up for profitable production a tributary area of 200 miles diameter, with the deepest of all the ports on the continent, and attracting thousands of agricultural settlers tending to loosen a little the stranglehold of the metropolitan capitals which are centralizing all advantages and forming an artificial development at the expense of the country districts, which latter cannot and will not receive their fair share of legislative interest and assistance so long as the propinquity of the great city operates to fill the whole perspective of the people's legislative and executive representatives.

Giving illustrations of enterprises municipally and State owned and controlled, he furnishes this interesting illustration—

The town of Gary, Indiana, without town-planning advantages, and with its one basic industry in the newly-established plant of the United States Steel Corporation, showed a five-fold increase in land value in ten years, from £1,250,000 to £6,750,000, with an expenditure of only a little over £1,000,000 all told in administrative expenses, improvements, and in taxes, to create this £5,500,000 dividend.

I realize that the Government desire to bring the matter to an issue.

Mr. TUDOR.—And as the honorable member and I are loyal supporters of the Government, we will now proceed to help them.

Mr. BRENNAN.—And since I have committed myself to lend uncheerful support to the Treasurer in the matter of this proposed expenditure, I will now allow the Committee to proceed to a division, although I could say a great deal more to salve the conscience of the right honorable gentleman upon this policy of his—open, as it is, to such a dreadful amount of press criticism, which he feels, but which we do not feel at all.

Mr. FRANCIS (Henty) [3.32].—I desire to enter my protest against the proposed expenditure of £150,000 upon the bush capital. The general disbursement of funds by the Government is increasing amazingly. Much has been said regarding

the compacts entered into with the various States, but I hold that the compact with New South Wales has been kept, because we have already spent the greater part of £2,000,000 on Canberra. All we now ask of the Government is that they shall postpone any further outlay until Australia shall have placed her house in order. We have just emerged from an ordeal which, until the war was precipitated, had been undreamed of, and we have been compelled to enter into more sacred compacts than that with the people of New South Wales concerning the Federal Capital. While it is not desired that we should dishonour any pledge given, we do plead that the fulfilment of this pledge should be put off until a more convenient day. We ask the Government to say that no further money shall be spent upon Canberra at the present stage. So far as the compact with New South Wales is concerned, it was deliberately decided that Parliament would sit in Melbourne until such time as the Parliament decided otherwise. The people of the Commonwealth are not at all anxious—irrespective of the arguments advanced from New South Wales—to be laden with further and unnecessary burdens. I am sorry that time is limited in the debating of such an important matter, but I shall content myself by registering an emphatic protest against the expenditure of the proposed sum upon the bush capital. It is, in my view, a deliberate waste.

Question—That the items proposed to be left out stand part of the schedule (Mr. JACKSON's amendment)—put. The Committee divided.

Ayes .. .. .	27
Noes .. .. .	14

Majority .. .. . 13

AYES.

Bayley, J. G.	Maloney, Dr.
Brennan, F.	Marks, W. M.
Chapman, Austin	Marr, C. W. C.
Charlton, M.	McDonald, C.
Considine, M. P.	Moloney, Parker
Cook, Sir Joseph	Poynton, A.
Corser, E. B. C.	Ryrie, Sir Granville
Cunningham, L. L.	Smith, Laird
Greene, W. M.	Tudor, F. G.
Groom, L. E.	Watkins, D.
Higgs, W. G.	West, J. E.
Hughes, W. M.	<i>Tellers:</i>
Lamond, Hector	Blundell, R. P.
Lavelle, T. J.	Story, W. H.

*Mr. Francis.*

NOES.

Bell, G. J.	Jackson, D. S.
Bruce, S. M.	Mackay, G. H.
Cameron, D. C.	Stewart, P. G.
Cook, Robert	Wienholt, A.
Foster, Richard	<i>Tellers:</i>
Fowler, J. M.	Jowett, E.
Francis, F. H.	Maxwell, G. A.
Hill, W. C.	

PAIRS.

Riley, E.	Atkinson, L.
Mathews, J.	Bamford, F. W.
Page, Dr. Earle	Best, Sir Robert
Blakeley, A.	Gregory, H.
Bowden, E. K.	Prowse, J. H.
Mahony, W. G.	Burchell, R. J.
Catts, J. H.	Fenton, J. E.
Fleming, W. M.	Gibson, W. G.
Hay, A.	McWilliams, W. J.
Lazzarini, H. P.	McGrath, D. C.
Ryan, T. J.	Lister, J. H.
Nicholls, S. R.	Livingston, J.

Question so resolved in the affirmative.

Amendment negatived.

Schedule and title agreed to.

Bill reported without amendment; report adopted.

Motion (by Mr. GROOM) proposed—

That this Bill be now read a third time.

Mr. JACKSON (Bass). [3.46].—I do not desire to keep the House more than a few minutes; but I feel that it is my duty to call attention to an inaccuracy which has cropped up during the debate in Committee.

Mr. SPEAKER.—The honorable member will not be in order in referring at this stage to anything which has transpired in Committee.

Mr. JACKSON.—It has been said by honorable members that the State of New South Wales would not have agreed to enter the Federation had it not been for the fact that the Capital was to be situated in New South Wales territory. The point I wish to emphasize is that, on the two referendums at which the question of the site of the Capital was raised, it was an open matter on the first occasion; but there were 16,513 more "Noes" on the second occasion, when it was no longer an open question, and it had been agreed that the Capital should be situated in New South Wales.

Question resolved in the affirmative.

Bill read a third time.



## ADJOURNMENT.

## AUSTRALIAN SOLDIERS' GRAVES IN AUSTRALIA.

Motion (by Sir JOSEPH COOK) proposed—

That the House do now adjourn.

Mr. HECTOR LAMOND (Illawarra) [3.48].—Without detaining the House, I wish to ask whether any decision has been arrived at with regard to the marking of Australian soldiers' graves in Australia.

Sir GRANVILLE RYRIE.—I shall obtain the information for the honorable member on Tuesday.

Question resolved in the affirmative.

House adjourned at 3.48 p.m.

## House of Representatives.

Tuesday, 28 September, 1920.

Mr. SPEAKER (Hon. Sir Elliot Johnson) took the chair at 3 p.m., and read prayers.

## DISFRANCHISEMENT OF WORKERS.

## STATEMENT BY THE HONORABLE MEMBER FOR WEST SYDNEY.

Mr. BAMFORD.—Has the Minister for Home and Territories seen a paragraph published in this morning's *Argus*, in which it is stated that the honorable member for West Sydney (Mr. Ryan), in the course of a speech in Queensland, on Monday, said—

That, combined with the little piece of legislation which disfranchised 250,000 workers of Australia, succeeded in returning to power a Government in the Federal Parliament. . . .

Is it correct that so many electors were disfranchised at the last general election; and, if so, will the honorable gentleman state the reason for it?

Mr. POYNTON.—The honorable member having intimated to me that he proposed to put this question, I am in a position to furnish the following reply:—

Apparently Mr. Ryan has been misreported. I am not aware of any legislation which could possibly have the effect of disfranchising 250,000 persons. The naturalized persons of enemy birth, not exempted, who were precluded

from voting at the elections held in December, 1919, would not exceed 20,000.

Mr. GROOM.—For the whole of Australia.

Mr. POYNTON.—Yes. Probably considerably less than one-half of these persons would be workers in the ordinary sense and many of them would have voted for Nationalist candidates.

## WAR SERVICE HOMES.

## PURCHASE OF SAW-MILLS AND TIMBER AREAS.

Mr. HIGGS.—Has the Treasurer given any consideration to the allegations made with regard to the purchase of saw-mills and timber areas by the War Service Homes Commissioner; and, if so, do the Government propose to direct an inquiry to be held?

Sir JOSEPH COOK.—As promised on Friday last, when a question relative to this matter was addressed to me by the honorable member for Corio (Mr. Lister), I have made further inquiries and have also consulted the Prime Minister (Mr. Hughes). In addition, I have talked the matter over with the Minister for Repatriation (Senator E. D. Millen). I have to say that the Minister, as does the Government as a whole, welcomes the fullest inquiry into these contracts. We have decided in all the circumstances to invite the Public Accounts Committee to inquire into the whole of the contracts, and hope that the inquiry will be as full and complete as possible. We have an excellent Committee to our hand for the purpose. It consists of the honorable member for Perth (Mr. Fowler), the honorable member for Robertson (Mr. Fleming), the honorable member for Maribyrnong (Mr. Fenton), the honorable member for Hunter (Mr. Charlton), the honorable member for Oxley (Mr. Bayley), the honorable member for Swan (Mr. Prowse), and the honorable member for East Sydney (Mr. West), as well as Senator Bolton, Senator Buzacott, and Senator J. D. Millen.

Mr. TUDOR.—A good Committee.

Sir JOSEPH COOK.—I do not think we could have a better one. I hope that it will search these matters to the bottom, so that we may know what is in these whisperings and innuendoes that are going round.

## AUSTRALIAN-BORN WIVES OF ENEMY SUBJECTS.

Mr. FENTON.—I desire to ask the Prime Minister whether Australian-born women married to Germans, Austrians, and other enemy aliens who, up to the signing of the Armistice at all events, were deprived of their citizen rights are to have those rights restored to them? The United States of America has recently taken similar action.

Mr. HUGHES.—This is a question to be settled by the Nationality Bill and the naturalization laws generally. A woman takes the nationality of her husband. That has been the law for a very long time, and was not adopted, as the honorable member's inquiry suggests, merely during the time of war. It has been in operation ever since we have been here. Whether we are to alter it remains to be seen. We have on the notice-paper the Nationality Bill, but whether it covers the matter I cannot, at the moment, say.

## COTTON PRODUCTION IN NORTHERN TERRITORY.

Mr. RICHARD FOSTER.—Has the Prime Minister noticed that the Imperial Government has recently been endeavouring to stimulate cotton production within the tropical parts of the Empire? If so, will he offer facilities for cotton production in the Northern Territory, where the possibility of growing excellent cotton was demonstrated thirty years ago?

Mr. HUGHES.—I have noticed that the British Government is endeavouring—I hope I may say without offence—more or less spasmodically, to encourage the growth of cotton amongst other Empire products. I hardly think it would be correct to say that it is doing so as a component part of a comprehensive policy. One of the effects of its action in that direction in Egypt is that the Egyptians are giving up growing wheat and going in for cotton production. As a result, I think we shall be able to sell to the Egyptian Government quite a lot of our wheat. Thus, indirectly, cotton-growing is a very good thing for us, especially when it is carried on in other countries. So far as I know, there never has been any doubt that cotton can be grown

here. I know that tea and coffee will also grow here, but the main consideration is as to whether we can grow cotton on a commercially profitable basis. To do so, one of two things would be necessary: We should either have to pick the cotton with cheap labour, or have machines for the purpose. We cannot get the cheap labour, and the Government would be very glad to offer an inducement to stimulate the sluggish inventiveness of honorable members on both sides of the House, and that of citizens generally who are potential members of this Parliament. That, I hope, will be satisfactory to the honorable member.

## POSTMASTER-GENERAL'S DEPARTMENT.

### ALLOWANCE POST OFFICES.

Mr. CUNNINGHAM asked the Postmaster-General, *upon notice*—

1. What is the maximum allowance that can be paid to semi-official postmasters and postmistresses?
2. In view of the fact that these persons are not allowed to carry on any other business, are they entitled to share in war bonuses the same as permanent employees of the Service?
3. If not, why not?
4. On what scale are they paid district allowances, and are they entitled to increases in view of the high cost of living?
5. In view of the increase in the price of fuel, &c., are they entitled to an increase in the maintenance allowance paid them for the lighting of offices, &c.?
6. Where offices have to be found, will the amount of rent allowed be increased in view of the considerable increase in the cost of upkeep?
7. What encouragement is given to those conducting these offices who have worked them up to the official status?
8. Will an allowance be made to them for Sunday and holiday work and overtime?

Mr. WISE.—The answers to the honorable member's questions are as follow:—

1. The minimum payment to a semi-official postmaster is at the rate of £156 per annum (personal allowance). Payment in excess of this rate is made on the nature and volume of business handled. Each case is dealt with on its merits.
2. No.
3. The bonuses paid to permanent employees are by Arbitration Court determinations, and are applicable to a section of that class of employee only.
4. On the scale and conditions prescribed in Public Service Regulations Nos. 168 and 169.
5. Payment for lighting, fuel, &c., is regulated by the circumstances of each case, calculated to cover the maximum expenditure in this connexion.



6. The Department makes an allowance to the postmaster in every case equal to the amount of the rental paid for the building in which the post-office is conducted.

7. A semi-official office is not worked up to official status by any act of the postmaster. When such an office is raised in status every effort is made to retain the services of the postmaster in some other capacity.

8. Consideration will be given to the question of making such allowances.

## REVENUE FROM SPIRITS AND NARCOTICS.

Mr. TUDOR (for Dr. MALONEY) asked the Treasurer, *upon notice*—

Will he inform the House what the approximate revenue amounts to per annum on alcoholic stimulants and narcotics for the State of Victoria?

Sir JOSEPH COOK.—Since the abolition of the book-keeping provisions of the Constitution, State distinctions have disappeared from Treasury accounts.

## SEIZED ENEMY GOODS.

Mr. CUNNINGHAM asked the Prime Minister, *upon notice*—

1. Is it a fact that the Government contemplates appointing one particular firm as sole Sydney agent for selling, purchasing, and handling goods and products of firms expropriated in late-German New Guinea?

2. If so, will the Government, in justice to other Sydney firms, consider the advisability of distributing the agency work?

Mr. HUGHES.—The answers to the honorable member's questions are as follows:—

1. No.

2. See answer to No. 1.

## TELEPHONE MECHANICS: PROMOTIONS.

Mr. WISE.—On 23rd September, the honorable member for Newcastle (Mr. Watkins) asked the following questions:—

1. Why are several telephone mechanics in New South Wales who have qualified for promotion as senior mechanics at an examination held before the war, viz., December, 1913, not being promoted to the positions of senior mechanics?

2. What is the object of the Department in holding examinations for promotion to the position of senior mechanic, when there are several officers who have qualified as senior mechanics in 1913 still waiting for promotion?

3. Is it not inequitable and unfair that several mechanics who failed to qualify at the examination held in 1913, but who qualified at a subsequent examination held in 1914, have

been promoted over the heads of officers who qualified in 1913?

4. How will the telephone mechanics who qualified as senior mechanics in 1913 stand in regard to promotion with the mechanics who will qualify at the forthcoming senior mechanics' examination being held this month?

5. Will the mechanics who proved their competence and ability for promotion nearly seven years ago receive appointment as senior mechanics before any of the successful candidates from the previously mentioned forthcoming examination?

6. If not, what is the reason for holding competent men back?

I promised the information would be obtained. The following replies have been furnished by the Acting Public Service Commissioner:—

1. Because examinations and promotions have been suspended for five years on account of the absence of officers at the war.

2. To give senior officers who were at the war an opportunity of qualifying for and securing promotion before their juniors are promoted.

3. In pre-war years the examinations were held annually, and the annual examinations will now be resumed. Under an award of the Arbitration Court promotions are to be made in order of appointment to the position of mechanic. If examinations were suspended until all who pass in one year were promoted, the advancement of senior officers would be indefinitely postponed, and their loss of seniority would be an unjustifiable hardship.

4. Any senior who passes the forthcoming examination will have prior right to promotion during the ensuing twelve months, as the examination is qualifying only.

5. See answer to 4.

6. See answers to questions 2 and 3.

## DUTY ON WIRE NETTING.

Mr. GREENE.—On 8th September the honorable member for Dampier (Mr. Gregory) asked the following questions:—

In view of the urgent need by settlers of large supplies of rabbit and dog-proof netting, can the Minister supply the House with information regarding—

1. What firms are now manufacturing wire netting in Australia?

2. What is the estimated capacity of output in tons of the plants now operating?

3. What tonnage has been produced in Australia during the year 1919-20.

4. If sufficient supplies at a reasonable price cannot be manufactured in Australia to meet present urgent requirements, will the Minister consider the advisability of removing the heavy impost of duty in the 1920 Tariff Schedule?

I am now in a position to furnish the honorable member with the following information:—

1. Lysaght Bros., Sydney; Victorian Government, Pentridge.

2. Lysaghts, 20,000 tons per annum; Pentridge, about 500 tons per annum; total, 20,500 tons per annum.

3. Lysaghts, 8,000 tons; Pentridge, about 200 tons; total, 8,200 tons.

4. As the imports of wire netting for the year 1920 amounted to, approximately, 1,600 tons only, and there were produced in the same year 8,200 tons, and the estimated capacity for production in Australia is 20,500 tons, there is no justification for the removal of the protection afforded to an important Australian industry.

## POST AND TELEGRAPH RATES BILL.

### SECOND READING.

Debate resumed from 22nd September (*vide* page 4817), on motion by Mr. WISE—

That this Bill be now read a second time.

Mr. TUDOR (Yarra) [3.12].—I shall not be long in discussing the proposed increases in postal rates. I admit that when I saw the Budget, and before I heard the statement of the Treasurer and that of the Postmaster-General on this Bill, I imagined that what was proposed was a transfer of the war postage of  $\frac{1}{2}$ d. per letter or paper to the old rates. I admit that I prefer some of the proposals of this Bill to the War Postage Tax, which merely added  $\frac{1}{2}$ d. per letter or paper to the original postage, whatever the amount of it might be. For instance, the ordinary householder sending a letter would pay 1d. postage on it, and under the War Postage Tax he was called upon to pay 1 $\frac{1}{2}$ d. A business house might send letters through the post upon which the postage might be 6d. or 1s., and under the War Postage Tax they were required to add only  $\frac{1}{2}$ d. more to the postage previously chargeable on the letter. I understand that what is proposed by this Bill is that a double rate shall be payable on every article posted.

Mr. WISE.—Yes.

Mr. TUDOR.—So that the ordinary business house sending out a letter on which the postage is now 6d. will, under this Bill, be required to pay postage to the amount of 1s. instead of to the amount of 6 $\frac{1}{2}$ d. as under the War Postage Tax. I think that on the whole that is a fairer proposal than was the War Postage Tax.

I have received a circular from booksellers of Melbourne on the subject of this Bill. I suppose that similar circulars have been sent round in the other States.

The booksellers desire to know why the book postage rate should be doubled. They say—

Why double the present rate? Is not a 50 per cent. increase enough? To increase educational facilities is the policy of all civilized countries. Free libraries everywhere are the embodiment of this idea. Free libraries, of course, seriously compete with the booksellers just as free overcoats would reduce the business of tailors.

Booksellers are the only traders who have Government and municipal competition, therefore, booksellers deserve special consideration from the State to help them distribute their wares. We would suggest that booksellers' catalogues and circulars, if printed in Australia, should go through the post at the rate of one half-penny ( $\frac{1}{2}$ d.) for four (4) ounces. The wide distribution of these catalogues would considerably increase the postal business in books, thus materially benefiting the postal revenue at the same time. People of the "Out-Back" certainly deserve to be treated liberally by the Postal Department in the way of literature; books, magazines, and papers are their great connecting links with civilization.

E. W. COLE'S BOOK ARCADE.

G. ROBERTSON & CO.

MELVILLE & MULLEN PTY. LTD.

M. L. HUTCHINSON.

METHODIST BOOK DEPOT.

BOOK LOVERS LIBRARY.

AUSTRAL LIBRARY.

Mr. WEST.—Those firms have branches in Sydney.

Mr. TUDOR.—I believe that they have branches in the other States. In my opinion, books have a greater educational value than newspapers.

Mr. NICHOLLS.—The Government have not taxed newspapers.

Mr. TUDOR.—Yes, the proposal is to increase the postage on newspapers proportionately with the increase on other articles. Still, the newspapers have a great advantage. The postage on newspapers before the War Postage Tax was imposed was 1d. for 20 ozs., and the postage now is 1 $\frac{1}{2}$ d. for 20 ounces.

Mr. WISE.—Yes.

Mr. TUDOR.—I believe that it does not pay the Post and Telegraph Department to carry newspapers at such a low rate, and many newspapers do not each weigh an ounce. I certainly think that in all the circumstances the case put up by the booksellers deserves consideration. They complain that they are in competition with the public libraries, but the public libraries obtain their books from the booksellers, and they do not get them for nothing. Lending libraries are referred to in the booksellers' circular, and



these send books into the country, which have to be returned. I think that a reduction of the postage in such cases is justified in the interests of people in the country who are entitled to some consideration as compared with people in the city who have libraries practically at their back doors. If the Postmaster-General can see his way to meet the booksellers in this regard I hope that he will do so.

I understand that it is impossible for a private member to move for an increase of the rate proposed on newspapers, because that would be imposing taxation.

Mr. MATHEWS.—The rate should be increased. The newspapers are profiteering, and why should they be allowed to do so when they talk so much about others in that connexion.

Mr. TUDOR.—I agree with the honorable member. He probably refers to the large proprietary newspapers, but they are not affected by this proposal to the same extent as are small newspapers like that published, for instance, by the Single Tax League. In some cases I believe that as many as forty of these small newspapers are covered by the postage charged on 20 ounces.

Mr. WISE.—Yes.

Mr. TUDOR.—They cost as much to deliver as a letter, and I am anxious to know whether something cannot be done to put them on a fairer basis.

I regret exceedingly that the Postmaster-General has seen fit to double the rate. The increased rate for telephone messages is not dealt with in this Bill, but will be provided for by regulation. Some honorable members, so far as the Standing Orders will allow, would like to discuss the question of the increase in telephone rates; as well as the increase in the rate for letter telegrams, which are dealt with in this Bill. I personally held, when we introduced the lettergram, and agreed to send forty words for 1s., that we were doing something which probably we would have to go back upon.

Mr. BAMFORD.—Hear, hear!

Mr. TUDOR.—The honorable member for Herbert (Mr. Bamford) agreed with me when I expressed that view. As I pointed out then lettergrams are chiefly used in big cities, giving the people in metropolitan districts an advantage not enjoyed by persons living in other parts. They are greatly used by business houses who keep their ordinary messages back

to take advantage of the lettergram system. I think the Postmaster-General is taking a step in the right direction by making this increase. However, I do not think he is justified in doubling the rate for the conveyance of letters throughout Australia. I know that our distances are great, but, as a matter of fact, the majority of the letters posted are for delivery within a circumscribed area. I believe that 90 per cent. of the letters posted in Melbourne are for delivery within a radius of 10 miles. If an amendment is moved to decrease the proposed rate I shall support it. On the other hand, I consider that there should be an increase in the postage rate on newspapers in order to bring it more into line with the rates that people are called upon to pay for other postal matter.

Mr. FENTON (Maribyrnong) [3.22].—  
—I am pleased to see that the Postmaster-General is keeping in touch with the existing Act by allowing matter printed in Australia to be conveyed at a lower rate than is to be charged for books printed outside Australia. I am pleased also at the proposal to revert to 2d. postage. I opposed the reduction eleven years ago, because I considered that by charging 2d. for the conveyance of a letter considerable revenue could be raised in a very reasonable way. I do not know that the large daily newspapers will derive any great benefit from the magnanimous rates the Postmaster-General proposes for the conveyance of newspapers, but as large numbers of their subscribers who are not living close to railway stations are obliged to obtain their papers through the post-office, I presume that they will participate in this concession. There is a good deal of prating in the press about the voting of money by this Parliament, but I notice that the leading journals can form a very solid combine when they seek to impose fresh advertising rates on the public. In the Melbourne daily newspapers at the present time there are almost identical advertisements increasing the advertising rates. I wonder if the proprietors of these papers consulted their clients by means of a referendum before imposing these extra charges, or whether they came under review by any price-fixing tribunal. At any rate, if it were possible to stop the "stinking fish" policy adopted by one section of the Australian press in

respect to Australian interests, good service would be rendered to Australia.

**Mr. MAXWELL** (Fawkner) [3.25].—The proprietor of a lending library has drawn attention to the fact that the postage on printed books is now to be doubled, to the great disadvantage of many people who live in country districts, and receive books through the post from lending libraries. Hitherto the postage rate upon a book sent out from one of these libraries has been 2½d. The rate will now be 5d., but inasmuch as the same amount of postage has to be paid on the return of the book, the total cost of sending out a book to the subscriber to a library and returning it will in future be 10d. instead of 5d. When goods are sent out by railway, they are often returned free, and it seems to me that a similar concession might be made in regard to books posted by lending libraries to country district subscribers.

**Mr. MATHEWS** (Melbourne Ports) [3.27].—I am very pleased that the Government propose to revert to 2d. postage. Some people may call it a retrograde step, but I hold that those who get a service should pay for it. When Mr. "Henniker Heaton" Chapman was Postmaster-General, he always tried to surround 1d. postage with a certain amount of sentiment, but there is no room for sentiment in business matters. The posting of a letter is a business transaction. The letter is intended to convey information for a certain purpose. However, now that we are to have 2d. postage, I hope that greater facilities will be provided in country districts through the extra revenue derived by the Department.

**Sir JOSEPH COOK**.—There is an extra £1,500,000 on the Estimates for the Post Office.

**Mr. MATHEWS**.—I hope that with this money there will be no need for the ever-recurring demand from honorable members representing country electorates for the increase of country postal services. There ought to be money enough to provide those facilities, and, although I am a representative of a city constituency, I shall do all I can to assist country members in seeing that the additional revenue derived from 2d. postage is spent on providing postal, telegraphic, and telephonic facilities in country districts. One has only to spend a holiday in an isolated country part to realize the disadvantages of the absence of means of

communication, both postal and telephonic. In fact, they are so limited that one wonders how it is after all these years we have not become more civilized.

**Mr. HILL**.—It is a wonder that any one lives in a country district.

**Mr. MATHEWS**.—Exactly. In 1911, when Mr. Josiah Thomas, the then Postmaster-General, brought in a Bill to reduce the postage rate on letters to 1d., I was daring enough to move to maintain the rate at 2d., because I held that no rate should be imposed which might lead to a loss. At that time, the Post Office was run at an annual loss of £400,000 or £500,000, and I could not consent to a policy which meant a continuation of that loss to the advantage of big commercial houses. To-day I do not think the Government have gone far enough. There is a great deal more sentiment surrounding cheap literature. My experience is that most of the cheap literature sent through the post is not educational, but merely for amusement. I can find no educational value in the sending of cheap prints which are not really newspapers, but are principally advertising media. Coming from Sydney, members of Parliament, like everybody else, rush to get the *Age* and *Argus* in order to see the news. The moment they read the Sydney news, they say, "That is not the truth, anyhow," and they know that, because they have just left Sydney. Yet they will take all the Melbourne news in those papers as gospel until they reach Melbourne, and find that it is not the truth either. If the newspapers gave the truth it might be news, but they do not do so. They only tickle the palate of some people to get their paper in as an advertising medium for some city warehouse or boot shop. The newspaper proprietors ought to pay proper rates of postage. I have always been against the running of cheap trains to send the Melbourne dailies into the country. One reason is that it is done for business, and the State has no right to lose money on it. So far as postage is concerned, the papers should pay full rates. That policy would have many benefits, one of which is that it would save lies getting into the country. I remember that the *Age* newspaper, during the great railway strike in Victoria, would print one edition for the country, telling the men in the country that the men in the railways here were going back and scabbing, and another



edition for Melbourne stating that the men in the country were scabbing. They used their paper for that purpose, yet the statements were not true. Another good effect of the change I suggest would be to give the country newspapers a chance, and encourage journalism in the country generally, instead of it being crippled through the ability of the Melbourne dailies to reach the country towns with a lot more news and a lot more lies. The printing of country newspapers ought to be helped rather than discouraged. I have always expected some Government to be game enough to take in hand the task of charging adequate rates to newspapers for their transmission by post. Until the Postmaster-General or the Treasurer comes up to the scratch on that question, he will not be doing justice to the country. There is no reason why newspapers, more than any other commodity, should be carried at a loss. I am sorry the Postmaster-General or the Government have not seen fit to make them pay their just dues for their transmission by post, as is the case with other commodities.

Mr. ATKINSON (Wilmot) [3.34].—I have often argued that the Post, Telegraph, and Telephone Department could be made a very useful factor in helping the settlement of the back country. I think the request made to members by the various bookselling firms in Melbourne should be given heed to. They are not asking for very much. The amount of revenue that would be lost is not much, if any. In fact, there is a good chance of the revenue being improved, because if their request to be allowed to send circulars and catalogues through the post at the rate of  $\frac{1}{2}$ d. per 4 ozs. is granted, the possibility is that the volume of books and magazines carried by the Department will increase. The least we can do for the people who live out of the cities is to grant the concession. A great many of them read magazines and similar literature, and this habit ought to be encouraged, because it improves their information and widens their literary taste. To grant the request, would at least have a considerable indirect advantage, and involve no direct loss.

Mr. MATHEWS.—My experience is that those who can afford magazines and subscribe to libraries can well pay the increase.

Mr. ATKINSON.—Yes, but that is not what is really asked for in this case.

Mr. MATHEWS.—The firms are merely asking for cheap advertising.

Mr. ATKINSON.—What is wrong with it, if it increases the revenue of the Department from the traffic in books and magazines through the post? It is a fair request on behalf of the people who live out of the city radius, and also on behalf of the booksellers themselves, who are already subjected to a lot of competition. A free library is not a benefit to the booksellers, but they have to put up with it. Every reading room endowed by a municipality is more or less in competition with the local booksellers. I hope the Postmaster-General will see his way to amend the schedule in the direction which the booksellers ask for.

Mr. AUSTIN CHAPMAN (Eden-Monaro) [3.36].—I have listened with great interest to the criticisms offered by honorable members, and am surprised to find that they take more interest in the welfare of the rich publisher than in that of the poor selector and others in the back-blocks, who will have to pay the twopenny postage. I am opposed to an increase in the postage rate on the broad ground that it will not produce more revenue. The history of the world shows that the penny postage is a better revenue producer than the twopenny postage, in normal times. The aim of the world is to obtain uniform postage rates. That is the real objective of the International Postal Union, which discussed the matter from all viewpoints. It has been proven not only in theory, but in actual practice, that penny postage yields more revenue than twopenny postage, not alone in British-speaking countries, but all over the world. For that reason I am not disposed to vote for twopenny postage unless it can be shown to me that it is going to do some good. I deny that it will bring in more revenue. If the history of the world shows, as it does, that penny postage is the best revenue producer, why put this further impost on the people? After all, those who suffer most will be the people in isolated districts, far from the centres of civilization, who do not enjoy many of the privileges which we in the cities have. A man with a family of three or four half-grown children who want to write letters

will find that this increase is a heavy tax on him, because it practically doubles his postage rates.

Mr. TUDOR.—Probably the letter rate pays. If there is any rate that does not pay, it is the newspaper rate.

Mr. AUSTIN CHAPMAN.—If the newspaper rate does not pay, why does not the Postmaster-General bring in a proposal to make it pay? Why make the unfortunate selector and other small toilers in the country districts, debarred as they are from many of the privileges which we enjoy, pay for the concessions given to the rich newspaper proprietors? If, as the Leader of the Opposition says, the newspaper rate does not pay, and the others do, the Postmaster-General should have brought down a very different proposal from that contained in the schedule. The people in the country are not only being penalized, but, at the same time, their privileges are being cut away. I am not accusing the present Minister (Mr. Wise) of doing that, because I believe he has made a proposal to give some increase in the conveniences in country districts. Why tax those people to pay for the extra privileges which we receive in the city?

Mr. MAXWELL.—What about putting up the rate on *Hansard*?

Mr. AUSTIN CHAPMAN.—I shall read *Hansard* with very great pleasure this week, because it will contain the record of charges which the honorable member made in this Chamber. I propose to call upon him to prove them. I understand that he said that the vote of £150,000 for Canberra was brought in by the Government to bribe me. I shall call upon the honorable member to prove his statement, because no member has a right to come into this chamber and deliberately make assertions that are not true. Even when they are made at the dictation of the *Age* I cannot excuse him. Immediately one says a word in furtherance of the interest of the people outback, some honorable members, who represent metropolitan and suburban constituencies, regard it as a good joke, but they would take a different view if they lived in the back-blocks, 30 or 40 miles from the comforts and conveniences of civilization, with one mail a week. Even those who live in the cities, and have two or three deliveries a day, with a public telephone

at every corner, sometimes grumble, but their grounds of complaint are nothing when compared with these of the people in the country districts, with their scanty mail service and no telephone without a guarantee of revenue. This Bill appears to me to be on a wrong basis; it is introduced for the purpose of obtaining extra revenue, but it is very much to be doubted whether that will be the result. Last year there was a surplus of £500,000 as a result of postal taxation, and it would be interesting to know where that money has been expended. Can any country representative say that the postal facilities have been extended in his electorate? As a matter of fact, the reverse is the case, because the privileges hitherto enjoyed are being cut down. Those in charge of little allowance post-offices, who are paid £2 or £3 per year, are now receiving notices that, owing to the small revenue derived from those offices, their magnificent remuneration is to be reduced by 10s. I protest against the proposal to increase the postal rates, because, as I have already said, all postal authorities are agreed that the cheaper rate results in the larger revenue.

Mr. RICHARD FOSTER.—The present Postmaster-General has given us a better "deal" than any of his predecessors.

Mr. AUSTIN CHAPMAN.—I am not saying a word against the present Postmaster-General, who, we know, is much hampered in his efforts by the lack of material. In any case, there is no reason why the people outback should be penalized, while all improvements are reserved for the benefit of the residents of the cities. The present Postmaster-General will probably have to be two or three years in office before he can change the parsimonious policy that has prevailed in the Department for the last four or five years. Of course, we have been living under war conditions, which excuse anything and everything. It was quite right to raise money for the one supreme purpose of carrying on the war, but, nevertheless, we should insist that further consideration should be given to those who are so badly served postally in the country districts. We do not ask for many extra country mails, but more consideration should be given to the country people, who live under very trying circumstances. There are postal inspectors all over the country, but can any



country representative say that an improvement in the services has ever been made at the suggestion of one of these gentlemen or any official of the Department? I do not know of one instance throughout my own extensive constituency; and my belief is that not 5 per cent. of the improvements in the last ten years have been made as the result of any action on the part of the representatives of the Department. It should be an inspector's business to see where improvements can be made, and to make them; and, after all, the Post Office is not what one might call a financial concern, but must be regarded as a great educator and civilizer, one of the objects of which is to bring the people closer together. I recommend the Postmaster-General to alter the present policy. I know that the honorable gentleman has already made efforts in that direction, and we ought to encourage him to make more. I take it that this Bill is only a temporary measure, for it cannot be supposed for a moment that Australia is going to fall back in the march of progress, though latterly that would appear to have been the case. If the Department cannot provide wires for telephone extension, why not try a wireless system? Of course, we all know that any new suggestion of that kind is always "pooh-poohed," just as was wireless telegraphy when first mooted in Australia. We in the cities have picture shows, theatres, trams, trains, and every comfort and convenience; but the people in the country are very differently circumstanced. With them, the arrival of the mail is an event, and it is eagerly met by men from all over the country—the very men who keep the professional men in the cities going. If a tidal wave swamped Melbourne to-morrow, it would not affect the fertile country districts of Australia; but if these fertile districts were swamped, Melbourne would be nowhere. The present Postmaster-General has certainly tried to liberalize the terms on which our country mails are carried; but I do not suppose that 50 per cent. of the contractors are carrying out their contracts without a loss, owing to the increased price of fodder, and so forth. I should warmly support the proposals in this Bill, as a means of taxation, if they would result in more revenue; but that, I feel

sure, would not be the case. For a month or two, more revenue may result, but the experience of the world is that the lower rate is more effective. Probably, these remarks apply, also, to the charges for telegrams, for the cost is the same whether a message be sent 10 or 100 miles. As I said before, the Bill, in my opinion, is on a wrong basis, and I hope that the Government will accept some improving amendments in Committee.

**Mr. BELL** (Darwin) [3.48].—For much the same reasons as those advanced by the honorable member for Eden-Monaro (Mr. Austin Chapman), I do not feel inclined to support the proposed increased charges on letters and telegrams. If the increases would result in more revenue, and that revenue were used to give better facilities in country districts, and to increase the remuneration of the keepers of allowance post-offices, they would be supported by the majority of honorable members. We have asked repeatedly for extended postal facilities in country districts, and we would be very ungenerous if we did not give the present Postmaster-General all the credit due to him for the improvements that have already been made at his instance during the short time he has been in office. I am of opinion, however, that it is not necessary to increase the postal rates in order to effect the desired improvement to our country postal and telegraph services. By still further cutting down the facilities enjoyed by city residents, and by due economy in the many branches of the Postmaster-General's Department, we can make such a saving as will render the proposed increases entirely unnecessary. It cannot be denied that though the Economies Commission very severely criticised the administration of the Postal Department, and suggested where economies might be made to the amount of many thousands of pounds annually, the only recommendation of that body to which it is proposed to give effect is that increasing the salaries of the higher paid officials. I avail myself of this opportunity to bring under the notice of the Postmaster-General one of the improvements which may well be adopted in our country districts—an improvement which is desirable both in the interests of rural resi-

dents and of the departmental revenue—the keeping open of our post and telegraph offices till 8 p.m. This demand is being made in the country districts throughout Australia.

Mr. SPEAKER.—Order! The honorable member is getting away from the subject-matter of the Bill.

Mr. BELL.—I hope that it is permissible for me to mention the fact, because the adoption of the course which I have suggested, would result in such an increased revenue as would obviate the necessity for increasing postal rates in country districts. Our farmers are usually busy till late in the evening, and it is very seldom that one of them can be communicated with over the telephone till 6 p.m. If the post-offices in country centres were kept open until 8 o'clock each evening I am confident that the business transacted by them would be almost doubled. This matter is one which is worthy of serious consideration at the hands of the Postmaster-General. I agree very largely with the remarks of the honorable member for Eden-Monaro (Mr. Chapman) in regard to postal administration, but he will not indorse my view that whilst the Government can find money to squander upon building the Federal Capital we should not support any increase in taxation.

Question resolved in the affirmative.

Bill read a second time.

*In Committee:*

Clauses 1 to 4 agreed to.

Clause 5—

Part I. of the First Schedule to the principal Act is omitted, and the following Part inserted in its stead:—

“PART I.—NEWSPAPERS.

On all newspapers, printed and published in Australia, posted for delivery within the Commonwealth

(without condition as to the number contained in each addressed wrapper),

(a) the proprietors thereof to *bonâ fide* subscribers, and to newsvendors and agents for *bonâ fide* trade requirements;

(b) newsvendors and agents to *bonâ fide* subscribers and to other newsvendors and agents for *bonâ fide* trade requirements; and

(c) newsvendors and agents for return to the publishing office.

On other newspapers posted within the Commonwealth for delivery therein:—For each newspaper —One penny per ten ounces or part of ten ounces.”

Mr. TUDOR (Yarra) [3.55]. — I exceedingly regret that the Postmaster-General is suffering from such a sore throat that it seems almost inconsiderate to ask him to explain the meaning of this clause. Did I understand him to say that, before the war postage rates were imposed, the postage upon newspapers was only  $\frac{1}{2}$ d. per 20 oz.?

Mr. WISE.—No, it was 1d.

Mr. TUDOR.—Then the extra amount which it is proposed to levy will not fall upon newspapers?

Mr. WISE.—That is so.

Mr. TUDOR.—In my opinion, the newspapers should pay as much by way of extra postage as should any person in the community. I should like to know why they are to be specially favoured under this clause? If a private individual posts a newspaper to a friend, he will be required to pay 1d. postage upon every 10 ozs., or part thereof, whereas the newspaper proprietors will be permitted to post up to 20 ozs. for  $1\frac{1}{2}$ d. What is the reason for this differentiation?

Mr. WISE (Gippsland—Postmaster-General) [3.57].—I would point out to the Leader of the Opposition (Mr. Tudor) that the proprietors of newspapers may post newspapers at the rate mentioned by him only to *bonâ fide* subscribers, or to news vendors, whereas private individuals will be at liberty to send newspapers to whom they may think fit.

Mr. FENTON (Maribyrnong) [3.58].—There is a wonderful difference between the postal rates charged upon newspapers to-day and the rate which was operative twenty years ago. At that time, the smallest newspaper proprietor was obliged to pay  $\frac{1}{2}$ d. postage upon each newspaper



forwarded through the post. Now the rate is only 1½d. for 20 ozs. Of course, this rate will not touch the proprietors of the great dailies, because they are in a position to increase the prices of their papers, and also of their advertisements.

Mr. WISE.—And country newspapers cannot do that.

Mr. FENTON.—If they did, they would lose the majority of their subscribers. I had a number of years' experience of the struggles of a country newspaper man, and I know that those struggles have been greatly intensified during recent times. The big daily newspapers of Australia enjoy a splendid bonus at the hands of the Post Office.

Mr. WISE.—There is no doubt about that.

Mr. FENTON.—They are amongst the wealthiest enterprises in the community, and are in a position to pay taxation more easily than is almost any other class. I should like to see them contribute a little more to the revenue of the country, and would therefore welcome an addition to the newspaper postal rates, but for the fact that the increased burden would fall very heavily upon the country newspaper proprietors.

Clause agreed to.

Mr. LAVELLE (Calare) [4.0].—I am opposed to this clause. The Postal Department should not be operated as a revenue-producing concern. The aim and object of the Department should be to place postal facilities within the reach of every one. Twopence per letter may be only a small charge, but I consider that instead of the rate being increased it should be reduced from 1½d. to 1d. The odd halfpenny was a war tax, and was not paid into postal revenue. That being so, the Government are now proposing to increase the postage rate by 100 per cent. I believe this impost will press heavily upon the people, and I therefore shall vote against the clause.

Clause agreed to.

Clauses 7 to 10 agreed to.

Title agreed to.

Bill reported without amendment; report adopted.

Standing Orders suspended, and Bill read a third time.

## PAPER.

The following paper was presented:—  
Inscribed Stock Act—Dealings and transactions during year ended 30th June, 1919.

## ENTERTAINMENTS TAX BILL.

*In Committee of Ways and Means:*

Sir JOSEPH COOK (Parramatta—Treasurer) [4.5].—I move—

That in lieu of the rates of tax imposed by the Entertainments Tax Act 1916-1919 upon payments for admission to entertainments there be imposed upon such payments as from a date to be fixed by proclamation a tax at the following rates, namely:—

Class of Entertainment.	Payment for Admission (excluding the amount of tax).	Rate of Tax.
(a) Cinematograph and Theatrical Entertainments and Concerts	Exceeding Three shillings.	Threepence for the first Three shillings of the payment and One half-penny for every Sixpence or part of Sixpence by which the payment exceeds Three shillings
(b) All other Entertainments	Sixpence Exceeding Sixpence but not exceeding One shilling Exceeding One shilling	One half-penny One penny One penny for the first shilling of the payment and One half-penny for every Sixpence or part of Sixpence by which the payment exceeds One shilling

Mr. TUDOR (Yarra) [4.6].—The Treasurer informed me that he desired to get this Bill passed in order that the reduced tax may operate from the beginning of October. The Bill modifies an impost which my party is anxious to repeal entirely. I said during the last general election that if the Labour party were returned to power the entertainments tax would be repealed.

Sir JOSEPH COOK.—The honorable member always does outbid us.

Mr. TUDOR.—The Minister for Home and Territories (Mr. Poynton), as an ex-Treasurer, knows that I was always opposed to the entertainments tax. I am willing to accept any amendment which will lighten the burden on the people, but I desire that the Treasurer shall go further. He has proposed that all charges under 3s. for admission to

cinematograph and theatrical entertainments and concerts shall be exempt, but that on the first 3s. a tax of 3d. shall be collected, and an additional halfpenny for every 6d. or part of 6d., by which the payment exceeds 3s. But in regard to all other entertainments he proposes to commence the tax on an admission charge of 6d. That means that persons attending football or cricket matches or race meetings will be taxed on a sixpenny charge for admission.

Sir JOSEPH COOK. — They can afford that. We must get a little revenue.

Mr. TUDOR.—I know the Treasurer desires to get revenue.

Sir JOSEPH COOK.—Well, let us get the Bill passed.

Mr. TUDOR.—I never knew a Minister more keen on getting a Bill through, and I never knew a member in Opposition more opposed to the Government getting their business done than was the right honorable gentleman when he sat on this side. I hope that when he is again sitting in Opposition he will be a much better tempered man than he was when he occupied the position that I now fill. I move—

That after the word "concerts" in paragraph a the words "and all other entertainments" be added.

The effect of that amendment is that there shall be a uniform tax on all entertainments, whether picture shows, theatrical entertainments, football matches, or boxing matches. I am anxious that the theatrical companies should be treated as provided for in the Bill.

Mr. PAGE.—But while they are to be exempted, a dance held in the country once a week will come under the provisions of the Act. Why not make them all pay?

Mr. TUDOR.—No. I am anxious to exempt them all. The Treasurer (Sir Joseph Cook) still has a well, in the shape of the income tax, into which he can dip for more revenue.

Sir JOSEPH COOK.—No.

Mr. TUDOR.—Yes. In his Budget statement the Treasurer showed that we are the most lightly taxed people in the world. However, I will have another opportunity of discussing this matter on the Budget, and will deal with it then.

The CHAIRMAN (Hon. J. M. Chanter).—It is only fair to point out

to the honorable member that if he wishes to move an amendment he should do so now, and not to the schedule of the Bill.

Sir JOSEPH COOK.—But this is a proposal to exempt taxation. We could do it in the Bill, surely.

The CHAIRMAN.—If an amendment is to be moved this is the time to do so.

Mr. WEST (East Sydney) [4.12].—I am very glad to have your ruling, Mr. Chairman. I cannot understand the attitude of the Treasurer. If entertainments are to be taxed at all, they should all be treated alike, because what may be an amusement to one person may not be an amusement to another. For instance, the person who attends a football match as an amusement of that kind might not care to go to the picture show.

Mr. RICHARD FOSTER.—Tax the lot.

Mr. WEST.—Yes; but the Treasurer proposes to exempt some forms of entertainment.

Mr. RICHARD FOSTER.—Then he should not do it.

Sir JOSEPH COOK.—Does the honorable member for East Sydney (Mr. West) want to increase taxation? His argument would lead one to believe he does.

Mr. WEST.—No, I do not. The Committee has to decide whether, in the matter of taxation under this Bill, preference is to be given to picture shows over other forms of amusement. I do not know why they should enjoy this privilege. Surely it cannot be on the ground of their educational value, because, so far as my knowledge goes, some pictures are far from being educational. I believe that a great deal of trouble arising from the use of firearms in Australia may be traced to excitement created by certain types of picture shows. The amount involved in the amendment is not very great, and, besides, the Treasurer has other means of obtaining revenue. At present the great bulk of taxation is borne by the industrial section of the community. Customs and Excise duties fall chiefly upon the poorer sections of the people. They pay double the amount paid by the wealthier classes. I should like to see the Treasurer draw a little more upon certain reserves of taxation. If he cannot get what he wants by way of the war-time profits tax, then he ought to be able to do it by



means of the income tax, and, if necessary, make the impost retrospective in regard to some of these companies that have doubled their capital out of profits.

Sir JOSEPH COOK.—I have an income tax measure to introduce after this is disposed of.

Mr. WEST.—But I suppose the Treasurer will not double the amount if I ask him to do so. The proposal made by the Leader of the Opposition (Mr. Tudor) is only intended to secure justice to all forms of entertainment. If the tax is to be maintained on entertainments at all, it would be far better to leave it standing as at present than to exempt picture shows, theatrical entertainments, and concerts, as proposed. I do not know if pressure has been brought to bear upon the Treasurer by the picture theatre managers, and if he fears their influence because of their opportunities to criticise him by means of their picture films, but I feel that he would be doing a statesmanlike act if he refused to differentiate between one form of amusement and another. I remind him of the opposition when the proposal to tax the children was under discussion.

Sir JOSEPH COOK.—And this is a proposal to take the tax off the children.

Mr. WEST.—But why not be fair to all sections of the community? There is no harm in a football match. I would rather attend a football game played by the youths of my district than waste my time at most other forms of entertainment. The English cricketers will be out here soon. If we go to see international cricket we shall have to pay a tax, whereas if we were to waste our time over pictures, inside a crowded building, instead of making the most of the open air, we would not be taxed for our entertainment. I hope the Government will accept the amendment.

Mr. JOWETT (Grampians) [4.21].—I understand that theatrical entertainments and concerts are to be placed in the same position, with respect to the proposed tax, as picture shows. I am glad to learn, as regards first-class theatrical entertainments and concerts, that the relief is to be granted on the lowest priced tickets. My experience of theatrical shows in Australia is that they are among the best and cheapest in the world. Upon every occasion of my return from travel abroad I have been

surprised afresh at the reasonableness of the prices charged as well as by the high standard of the talent displayed. We should do all that may be reasonably expected to encourage those people who spend large sums upon the salaries of highly talented artists, in order that Australian audiences may be provided with a splendid type of entertainment.

Mr. PARKER MOLONEY (Hume) [4.24].—I had intended to appeal to the Treasurer to grant exemption in respect of one particular class of public entertainers, but I understand that the amendment of the honorable member for Yarra (Mr. Tudor) will cover my purpose. I refer to country bands, and I do not know that I would press for exemption for bands in country parts alone; I would like to see exemption granted in regard to all bands. These organizations do excellent work for charitable purposes; but their general financial state, so far as my experience of country bands goes, is always more or less precarious. They are almost always "up against it," and, in order to keep going, they are frequently forced to organize entertainments and the like.

Sir JOSEPH COOK.—In the matter of their concerts, these bands will be exempt.

Mr. TUDOR.—But if they choose the form of a social in order to raise money, they will have to pay your tax.

Sir JOSEPH COOK.—That is, if the tickets are over 3s.

Mr. PARKER MOLONEY.—Am I to understand that if bands endeavour to raise money by means of concerts they will go scot free, whereas if they prefer socials and dances—as being more attractive to a larger circle of the public—they will have to pay the tax?

Sir JOSEPH COOK.—It all depends upon the form of entertainment.

Mr. PARKER MOLONEY.—Why not exempt them altogether, seeing that they are of very great assistance to charitable institutions, such as hospitals, throughout Australia?

Sir JOSEPH COOK.—I cannot agree to that.

Mr. PARKER MOLONEY.—I am sorry. The bands do excellent work, as I have already indicated. Charitable entertainments all over the country are constantly, and consistently, benefiting by their public performances.

Sir JOSEPH COOK.—Bands will not be required to pay taxes when giving charitable performances.

Mr. PARKER MOLONEY.—I am asking that they be exempted in respect of any form of entertainment which the bands themselves may organize for their own financial benefit. It appears to me, from the interjections of the Treasurer, that if a band calls a social and dance a concert, it will not be required to pay tax. However, this is not a matter on which we should split straws. I have been present on Hospital Sundays in various parts of the country for years past, and have noted that bands have always been the chief attraction; and their services have always been given without fee.

Sir JOSEPH COOK.—There is no tax on anything of that kind.

Mr. PARKER MOLONEY.—I understand the position, but we should assist and foster these organizations rather than handicap them by the imposition of any form of taxation.

Mr. BELL (Darwin) [4.29].—I cannot understand why the Government propose to differentiate between various forms of entertainment. If I read the schedule aright, it is proposed to exempt tickets, up to 3s., in the matter of cinematograph shows, theatre performances, concerts, &c., while the lowest priced tickets to sporting and athletic attractions, such as football, cricket, and swimming matches, are to be taxed. What is the motive of the Government in taxing a 6d. ticket issued in connexion with a cricket match, and in releasing from taxation a similarly priced ticket to a picture show? I admit, of course, that what may be regarded as entertainment by one individual would probably be boredom to another. There does not appear to be any reason why the tax should not be similar on all classes of entertainments. We should not endeavour to discourage outdoor amusements, and confer a benefit on the many thousands who nightly patronize picture shows. If there is to be any differentiation, it should be in the interests of those who patronize outdoor amusements, which are more healthy, and certainly better for the individual. I do not think there should be any proposal to exempt or reduce amusement taxes in any direction, particularly when we are in such dire distress for revenue.

Mr. BLUNDELL.—Were we not promised that this was to be a war-time tax only?

Mr. BELL.—I do not know anything about a promise; and if one was made, I am not responsible. Even if a promise has been made, I cannot see any reason why we should exempt or reduce the tax on certain forms of amusement, and continue it on others. It does not appear to me to be just. I cannot support the amendment of the honorable member for Yarra (Mr. Tudor); and I shall be compelled, unless there is some further explanation from the Minister, to oppose the whole proposal.

Mr. JAMES PAGE (Maranoa) [4.34].—From the outset this form of taxation has been most unfair. I was exceedingly sorry to hear the honorable member for Grampians (Mr. Jowett) say that he was in favour of it. The honorable member is a representative of the Country party, the members of which are supposed to protect the interests of the country people; but he is apparently still a member of the old "boodle" party, which is always anxious to take the tax off the wealthy and place it on to the shoulders of the poor. When an attempt is being made to benefit those in the country districts, one would have thought that every member of the Country party would have supported the proposal. Many honorable members know that what are known as Saturday night socials, the expenses of which are covered by a small charge for admission, are the only entertainments that many country people can attend.

Mr. GREGORY.—They cannot be held until a permit is received, and special stamped tickets are supplied.

Mr. JAMES PAGE.—They cannot. Under this proposal, those living in the populous centres are to receive every consideration, while those who are frequently referred to by honorable members on the corner benches as the backbone of the country are to be penalized. Are the members of the Country party going to sit idly by and allow the confidence trick to be played on them in this way? There are very few "shows" in the country for which a charge of 3s. is made, with the exception, perhaps, of a few in the back-blocks of Queensland.



Mr. RICHARD FOSTER.—There has been a tax on country picture show tickets, but that has now been abolished.

Mr. JAMES PAGE.—If such is the case, the charges for admission must be different in South Australia from what they are in Queensland. A few weeks ago arrangements had been made to hold a euchre party in a certain district in Queensland, and the necessary permit, which was in the hands of a gentleman who lived 14 miles away, had been received from the Commissioner's office in Brisbane. Owing to a heavy fall of rain, the person holding the permit was unable to attend, and the owner of the hall would not allow the promoters to open it.

Mr. GREGORY.—If he did, he would have been liable to a fine of £50.

Mr. JAMES PAGE.—If we do not support the interests of our constituents, who will? It seems that this and every other Government, since the inception of Federation, have always been prepared to favour those in the populous centres, to the detriment of those in the country districts. If there are to be any exemptions, the weekly socials held in country districts, to which I have referred, should not be overlooked.

Mr. GREGORY (Dampier) [4.38].—I am strongly opposed to the proposal, firstly, because we cannot afford the great loss of revenue that will result from the removal of this tax; and, secondly, because we are levying a tax on some entertainments where the charge of admission is 6d. or over, and abolishing it on others where the charge is up to 3s. The tax should be imposed on those who are conducting entertainments for profit. The honorable member for Maranoa (Mr. James Page) has referred to an instance which has come under his notice, and I could also quote others to which my attention has been directed. In many instances applications for permits are received from persons 200, 300, or 400 miles from the city. An instance came under my notice where the members of a fire brigade were anxious to hold a ball, but the difficulty was to get a permit. The owner of the hall would not allow the building to be opened unless a permit had been obtained, and many living a distance away were considerably inconvenienced. I have been informed by the honorable member for Wakefield (Mr.

Richard Foster) that a procedure which is not permitted in my State is permitted in his.

Mr. BLUNDELL.—I do not think he is right.

Mr. GREGORY.—When last visiting a portion of my constituency, I was informed that a clergyman was advised that he had committed a breach of the Act because he conducted a church social without the necessary permit from the Department. I think that a tax should be continued on racing, football, and cricket, because the people who attend such amusements should be prepared to pay taxation. The tax should also apply to all who conduct cinematograph shows or other entertainments conducted as a business, but it ought not to apply to entertainments arranged for charitable purposes. A gentleman who had been instrumental in raising over £20,000 for the charities of Western Australia by means of concerts and other entertainments some time ago failed to observe a regulation of the Department in connexion with a concert that he held in one of the suburbs of Perth, with the result that he was brought before the Court and heavily fined. Representations were made to the Deputy Commissioner of Taxation, who recommended a reduction of the fine to £5 for each offence. There was no suggestion that this man had been guilty of misrepresentation or had attempted to defraud the Department, but he was heavily fined.

I hope that the Treasurer will withdraw the Bill. Our taxation in the future will be exceedingly heavy. I fully realize the demands that will be made upon the Commonwealth by the time that we have made arrangements to honour all our promises and have provided for those who were maimed or blinded during the war. Much still remains to be done. Heavy bills will have to be met, and I know of no better way of providing for such liabilities than by imposing a heavy tax upon luxuries and a tax on entertainments, race meetings, and sports gatherings generally. The tax should, of course, be proportionate to the charges for admission. Such taxation would tend, in some degree, to induce the people to economize; it is the duty of the Government to not only practise, but to enforce, economy, and I would support a heavy tax on expensive

luxuries. I know no reason why those who indulge in luxuries of this kind should not be compelled to make at least some small contribution to the revenue. I repeat that entertainments for social, charitable, and religious objects should be exempt.

Sir JOSEPH COOK.—They are.

Mr. GREGORY.—I can only say that on the occasion of my last visit to Kellerberrin I was told that the Reverend Father Fahey, whose name figured conspicuously in the details of the Gallipoli campaign, had been notified that he was to be prosecuted for a breach of the Act in connexion with a church social. The fire brigade in the same town had intended about the same time to hold a dance, but as the necessary permission had not arrived from the Taxation Department, the promoters were compelled to hold it in the fire station instead of the public hall, and to make a collection at the door instead of a charge for admission. I think that the Deputy Commissioner of Taxation in Western Australia is standing hard and fast by his regulations.

Sir JOSEPH COOK.—Churches, charities, and philanthropies generally are exempt.

Mr. GREGORY.—I have merely instanced these as cases which were brought under my notice.

I hope that the Treasurer will give further consideration to this matter. He is thoroughly familiar with the enormous demands that are being made upon the Treasury at the present time. He knows also that very large expenditures will have to be incurred in connexion with soldier settlements, War Service Homes, and repatriation generally, while we still have large payments to make to the Old Country. All this will mean heavy taxation. I regret that this proposal has been brought in, and I hope that the Treasurer will give the whole matter further consideration.

Mr. RICHARD FOSTER (Wakefield) [4.45].—I am not surprised that the Treasurer (Sir Joseph Cook) has been urged to withdraw this Bill. It certainly should be withdrawn. I fail to understand why the Government have introduced a measure exempting from the entertainments tax all tickets under three shillings each for cinematograph shows and theatrical entertainments. If there is a flourishing business in Australia today it is that of the picture shows.

Mr. AUSTIN CHAPMAN.—Picture show businesses are like Trusts—they are a good thing if you are in them.

Mr. RICHARD FOSTER.—Exactly. Here we have a proposal to exempt a form of business that is flourishing above all others in Australia. Since the passing of the entertainments tax theatrical managers have not only compelled their patrons to pay the tax, but have greatly increased their charges for admission. I should be delighted if the Bill were withdrawn.

Sir JOSEPH COOK (Parramatta—Treasurer) [4.47].—I wish that my honorable friends in the corner, in that spirit of righteousness with which they urge matters from time to time would not tempt the Treasurer in this way.

Mr. RICHARD FOSTER.—Our suggestion ought to be tempting.

Sir JOSEPH COOK.—It is really a temptation. The position is that at the recent general election both Ministerial and Opposition candidates promised the electors—

Mr. TUDOR.—The Labour party promised that if returned they would repeal the whole tax. The Treasurer will admit that long before the elections I held the view that the tax should be removed.

Sir JOSEPH COOK.—I know that, and I was about to observe that similar promises were made by National candidates. By means of this Bill I am really salvaging a little out of the wreck and ruin of the tax which was agreed to by both sides of the House. My honorable friends, instead of asking me to withdraw the Bill, ought to compliment me on my action. I am trying to save a little of the revenue derived from this tax.

Mr. RICHARD FOSTER.—The Government are throwing away one-half of the revenue that has been derived from the tax.

Sir JOSEPH COOK.—I am preserving by this Bill more than one-half. Honorable members should commend me for trying to save as much as I can out of a tax which has already been sacrificed by both sides of the House.

Mr. BRUCE (Flinders) [4.49].—I agree with the view that it is a mistake to remove this tax. There are two outstanding reasons why it should be continued. As I see the position, the enormous revenue charges with which we are faced absolutely preclude the removal of



any taxation unless it is so hopelessly unjust that it would be an iniquity to allow it to remain. It is difficult at this stage to make the point that is in one's mind as to the whole question of taxation. We have not had an opportunity to consider our present or future position with regard to our revenue as opposed to our obligations; but when we do we shall have to approach the whole matter in a very serious spirit. I think we shall be a little startled when we realize what we shall be faced with in the next financial year as distinguished from the year for which we have already made some attempt to provide.

Another factor which it appears to me must be considered very seriously is that we have no hope of making our way through our present financial troubles unless every member of the community, from the highest to the lowest, realizes how essential it is to economize. I unhesitatingly admit that this tax is most keenly felt by all classes, and particularly by those whose incomes are small. It is the very tax, however, that we should be careful not to remove, since by doing so we shall pull down one of the fingerposts pointing to the road of economy, which is certainly the only road that we can safely travel in the future. I have a lot of sympathy for those with small incomes who have to pay this tax. The cinematograph show, in particular, has brought brightness into the lives of many such people in this and other parts of the world. It is, therefore, to me a matter for deep regret that it should be necessary to impose such a tax, or to do anything which might conceivably curtail the opportunities afforded people with small incomes to bring a little brightness into their lives. But we are faced with the hard facts of life as it is after the war, and it seems to me that if we are even to pretend to lead this country, it is necessary for us to drive home to the people the lesson that they have to be taught.

One other aspect of this question which ought also to be emphasized is that, while with one hand we are giving up certain revenue which has come to the Government by way of the entertainments tax, we are replacing it by further taxation upon the postal facilities of this country. That cuts the ground from under the argument that the poor

people of our cities, while this tax remains, are deprived of the facilities that were offered them before its imposition to visit a picture show. Even if they are slightly penalized, the unfortunate residents of country districts who have no cinematograph shows which but for this tax they might attend, are to be penalized by being called upon to pay extra postal taxation so that city residents may have restored to them the extra facilities for attending places of amusement which they enjoyed before the war.

Question—That the words proposed to be added be so added (Mr. TUDOR's amendment) — put. The Committee divided.

Ayes	...	...	11
Noes	...	...	28

Majority ... 17

AYES.

Blakeley, A.	Page, James
Blundell, R. P.	Tudor, F. G.
Brennan, F.	West, J. E.
Fenton, J. E.	Tellers:
Lazzarini, H. P.	Mathews, J.
McDonald, C.	Moloney, Parker

NOES.

Atkinson, L.	Hill, W. C.
Bamford, F. W.	Jowett, E.
Bell, G. J.	Lister, J. H.
Best, Sir Robert	Mackay, G. H.
Bruce, S. M.	Marr, C. W. C.
Cameron, D. C.	Maxwell, G. A.
Chapman, Austin	Poynton, A.
Cook, Sir Joseph	Rodgers, A. S.
Cook, Robert	Ryrie, Sir Granville
Corser, E. B. C.	Smith, Laird
Foster, Richard	Wise, G. H.
Greene, W. M.	Tellers:
Gregory, H.	Burchell, R. J.
Groom, L. E.	Story, W. H.
Hay, A.	

PAIRS.

Catts, J. H.	Bowden, E. K.
Gabb, J. M.	Fleming, W. M.
Considine, M. P.	Francis, F. H.
Mahon, H.	Jackson, D. S.
Watkins, D.	Lamond, Hector
Mahony, W. G.	Livingston, J.
Makin, N. J. O.	Marks, W. M.
Ryan, T. J.	Prowse, J. H.
Riley, E.	Bayley, J. G.
Cunningham, L. L.	Hughes, W. M.
Anstey, F.	Watt, W. A.
Maloney, Dr.	Fowler, J. M.

Question so resolved in the negative.

Amendment negatived.

Mr. ATKINSON (Wilmot) [4.57].—There is no logical reason for the remission of a tax on picture shows if it is to be imposed on cricket matches and

other forms of recreation and amusement, but I sympathize with the Treasurer, nevertheless, because at the last election both parties went to the country promising this exemption. I see as clearly as does any other honorable member, and have seen for years, the tremendous difficulties confronting us in making both ends meet owing to the debt with which Australia is saddled, and I recognise the necessity of inducing every member of the community to practise economy; but as this promise was made to the country by the Government, we cannot blame them for adhering to it, and, in the circumstances, I shall vote with the Treasurer on this schedule.

**Mr. BELL** (Darwin) [4.58]. — I listened with attention to the honorable member for Wilmot (Mr. Atkinson), but I do not agree with what he has said as to a promise made to the electors.

**Mr. ATKINSON.**—The honorable member stood on it.

**Mr. BELL.**—I stood on nothing promised by any political party. I do not think that I have even read the Prime Minister's policy speech. That, however, is beside the question at the present time. I stood as a Nationalist, because the Nationalist platform was the one with which I agreed most closely. So far as any promise with regard to the remission of this tax is concerned, I know nothing of it, and am not bound by it. Further, if the Government were pledged to the remission of the entertainments tax, they are not pledged to its remission in part, as applied to special entertainments such as cinematograph shows, theatre performances, and concerts, and to retain it as applied to other forms of recreation and amusement. I can see no justification for what is now proposed, and I shall be surprised to hear the Treasurer (Sir Joseph Cook) claim that the Government are adhering to the letter to the promise which has been referred to. I shall be very sorry if the Government press this schedule to a vote, as I feel sure that a majority of honorable members realize that a mistake is being made. We should endeavour to be as consistent as possible, and if we wish to be consistent and fair, we cannot justify this proposal. I hope that the Treasurer will look at the matter from this point of view. I do not see how honorable members representing

country districts can possibly vote for this schedule. People in the districts they represent have very few opportunities of enjoying such forms of amusement as are proposed to be exempted from taxation under this schedule. Apart from any question of town or country, a member of the community who likes to attend a football match on a Saturday should not, in the matter of taxation, be treated differently from another who prefers to spend a few shillings at a picture show during the week. This proposal is quite inconsistent, and I am opposed to it.

**Sir JOSEPH COOK** (Parramatta—Treasurer) [5.1].—I see a very clear distinction between these different forms of amusement. The honorable member for Darwin (Mr. Bell) says that he knows nothing about the promises made at the time of the elections, but there can be no doubt that such promises were made.

**Mr. TUDOR.**—Hear, hear!

**Sir JOSEPH COOK.**—The Leader of the Opposition (Mr. Tudor) promised to sweep away the whole of this taxation. Members of the Government, including the Prime Minister (Mr. Hughes), promised that this tax should go. I, however, have not been in favour of the remission of the whole of it. I like to honour any promises made at election time as far as possible, but it seemed to me that there was an opportunity afforded me to step in and save some of this taxation for revenue purposes. A distinguishing line can be drawn, and it is that which is drawn in the Bill between those forms of amusement which are educational and those which are not. It is of no use for honorable members to say that picture shows are not educational.

**Mr. HILL.**—They are often educational in the wrong direction.

**Sir JOSEPH COOK.**—I am afraid that there are objectionable features attached to nearly everything in life. I suggest that the ordinary "gazettes" at the picture show are highly educational and instructive. I often think when I go to a picture show that the "gazettes" alone are worth more than is charged for the whole entertainment. The last time I visited a picture show, I saw a picture of a telephone dissected, and the exhibition was of a really instructive and educational kind. Then, again, take such



operas as are now being produced in this city, and no honorable member will claim that the cultivation of musical taste of that kind is not differentiated from mere amusement. If we take the Shakespearian season which this city is fortunate enough to be enjoying just now, will honorable members say that it is not educational? It is, in its very essence. There is a clear distinction to be drawn between such forms of entertainment and horse-racing, dancing, skating, and so on. The schedule is a compromise, and I ask honorable members to let it pass.

Mr. RICHARD FOSTER.—This is absolutely unique—a Treasurer pleading for the remission of taxation.

Sir JOSEPH COOK.—May I suggest to my honorable friend that what is proposed is a compromise, which is the very essence of politics, and one which will represent a saving of £350,000 at the very least.

Mr. RICHARD FOSTER.—How much is the Treasurer losing?

Sir JOSEPH COOK.—About £200,000, and nearly all of that from the taxation of pictures.

Mr. PARKER MOLONEY (Hume) [5.9].—I intend to move a slight amendment, to which I do not think the Treasurer will take grave exception. I move—

That after the word "concerts," in paragraph a, the following words be added "and band socials."

Bands do excellent work, and they are always on the side of charitable effort, but if they hold a social in order to raise money for themselves they are compelled to pay this tax. They are generally in a state of financial hardship. I do not know one of them which has a credit balance in the bank. They frequently travel long distances to take part in charitable concerts and such-like entertainments, and the least we can do is to give them some sort of encouragement by exempting them from the payment of this tax. I think the Treasurer will see that this is a reasonable request.

Mr. JAMES PAGE (Maranoa) [5.14].—I make a final appeal to the Treasurer, on behalf of the bush-whackers of Australia, for the exemption of their one form of amusement, the bush social. The promoters of these gatherings are now compelled to send hundreds of miles for a permit, and their exemption would avoid

all the necessity for this permit business. At any rate, when bouquets are being thrown about in the cities, one or two might also be dropped in the bush, where they are more needed. However, our Treasurer is as hard as flint where people living in the bush are concerned.

Sir JOSEPH COOK.—Others say that I am as soft as putty.

Mr. JAMES PAGE.—So you are where the towns are concerned. Every Government has catered for the towns as against the country districts. It is like drawing teeth out of a camel to get any concessions for the latter.

Sir JOSEPH COOK.—Country telephones have been exempted from the 25 per cent. increase, which represents a loss of revenue to the extent of £100,000.

Mr. JAMES PAGE.—Thanks for nothing. The Treasurer has nothing to get excited about. People in the country areas have no telephones. They have nothing but promises so far.

The CHAIRMAN.—This discussion is quite outside the Bill.

Mr. JAMES PAGE.—But it is not out of order to refer to the taxation from which the people in the bush are suffering. I ask the Treasurer not to be adamant in regard to the request to exempt this little form of amusement in the bush. The revenue he would get from these socials would not be more than a few pounds at the most.

Sir JOSEPH COOK.—How many persons would attend a social for which the charge is 1s. 6d., refreshments included?

Mr. JAMES PAGE.—I have seen a couple of hundred people at one of these entertainments.

Sir JOSEPH COOK.—In that case the tax would be a little over £1. Would that hurt them?

Mr. JAMES PAGE.—It is the principle of the thing.

Sir JOSEPH COOK.—It is the principal that I am after just now.

Mr. JOWETT (Grampians) [5.19].—I appeal to the Treasurer to exempt socials and dances in the country when arranged by *bonâ fide* sporting clubs. I cannot understand why the honorable member for Hume (Mr. Parker Moloney) has not included them in his amendment.

Mr. PARKER MOLONEY.—Because I could see no chance of the Treasurer agreeing to exempt them. In any case,

bands do a great deal of work for charity.

**Mr. JOWETT.**—These entertainments in country towns are a great means by which young people get together, and they make life more enjoyable for the country people, who will feel the tax more keenly when they learn that certain other forms of entertainment, carried on for private profit, are now to be exempt.

**Mr. CORSER** (Wide Bay) [5.21].—Many bands give all their entertainments without receiving any fee or return for themselves, except, perhaps, when they are seeking to raise funds to buy instruments. Then it is not the individual, but the band itself, which owns the instruments purchased in this way, and when the individual resigns his membership he is obliged to surrender all his claim to his instrument. A gentleman, who has been the honorary secretary of a band for many years, has written informing me that while the income tax continues to be charged in such cases, he does not feel inclined to do anything else but resign his position. His band was called upon by the Commissioner of Taxation to furnish returns for three years back and pay a penalty of 10 per cent. for overdue payments of the tax for that period. It cost the members of the band £34. When I appealed to the Treasurer to grant them some relief he was sympathetic, but upon the case being submitted to the Commissioner of Taxation he pointed out that he was obliged to carry out the law, and that he did not see how he could avoid doing what he had done, except by giving time for payment. I appeal to the Treasurer now to exempt from the payment of this tax band socials which are provided for educational, religious, or charitable purposes. I am sure the public would appreciate our action a great deal more if we cut out this kind of taxation rather than adopt the full proposed reductions on picture shows.

**Mr. BELL** (Darwin) [5.25].—I wish to explain my reasons for opposing the amendment of the honorable member for Hume (Mr. Parker Moloney). It will be very difficult to decide exactly what form of entertainment is to be exempt under his proposal. If I understand it aright, a concert given by a band, or in aid of a band, would be exempt, and a social where a band is playing without

charge would also be exempt. I can see no reason why such a social should not pay the same tax as one where the music is supplied by a pianist or a violinist. I am sorry I cannot support the amendment. I have a great deal of sympathy with the proposal, but to my mind there is only one thing to do: either to exempt all tickets up to 3s., as proposed by the Treasurer in the case of cinematographs and theatres, or else to charge the tax on all. Nothing else will satisfy me. We must have one or the other, and I do not care very much which.

**Mr. CUNNINGHAM** (Gwydir) [5.27].—I have much pleasure in supporting the amendment of the honorable member for Hume (Mr. Parker Moloney), and indorse everything that has been said for it. Every word said by honorable members about the people in country districts is true. I know from my own experience in the running of these functions, that, as the honorable member for Maranoa (Mr. Page) says, it is not so much the payment of the tax, as the getting of the permit, that is the trouble. In a great many cases, we are hampered to such an extent by the delay in the mails that we are forced to wire for the permit in order to obtain it in time. If it is delayed, we have to follow the first wire up with more, and in the end it perhaps costs us £1 to get the permit before we can start off at all. If this trouble were wiped out, it would be a great convenience to us in the back-country districts. City dwellers do not realize the amount of inconvenience we put ourselves to in the country in order to raise funds for such purposes as the honorable member for Hume wishes to exempt. Country bands do an immense amount of good. Many a person who shines to-day in the cities as a musical genius received his first musical education from a country bandmaster. In Inverell, my home town, we have a man who has been a bandmaster for twenty-six years without receiving any fee or reward whatever. The band have never received assistance from Government or municipal funds, but have been responsible for giving the cities many of the best musicians that have come from that district. They have always done everything they could to support every charitable institution.



Mr. BELL.—Why exempt a band, and not a pianist or violinist?

Mr. CUNNINGHAM.—In many cases, the pianists and violinists are professionals. The members of the bands are amateurs. The cases are not at all analogous. The country band is composed of amateurs pure and simple, who devote an enormous amount of time to the work. They help to make life livable in country towns. I hope the Treasurer (Sir Joseph Cook) will take note of the fact that in many country towns life would not be nearly so pleasant as it is were it not for the bands. The cities have plenty of musical entertainments, but the band is really the life and soul of the country town. It helps in all entertainments run for social or charitable purposes, and in all demonstrations for war loans, or movements to raise funds for any public purpose whatever. When we have an object of that sort in mind, we go first to the country band, and get them to come along. They are the great draw for the crowd. That is how we, in the country districts, raise the funds that we do for charitable and public purposes, in which honorable members are often pleased to have our assistance, when they are appealing for help from citizens throughout the length and breadth of Australia.

Mr. MAXWELL.—In that case there should be no difficulty in getting up a concert in aid of the funds of the band, when they would be exempt.

Mr. CUNNINGHAM.—Where no individual receives financial benefit from these entertainments it is only imposing hardship to tax them.

Mr. GREGORY.—You could not put it in that way exactly, because then you would bring in the racing clubs. You do not want to do that.

Mr. CUNNINGHAM.—There is no connexion between the racing clubs and these entertainments, because a large number of individuals get their living on the race-course. That cannot be said of an entertainment run by a band in the interests for which the honorable member for Hume is pleading.

Mr. GREGORY.—I mean that you cannot get a definition of that kind into the Bill.

Mr. CUNNINGHAM.—If the honorable member so desires, he can move for

the insertion of a definition, and the Committee can deal with it. The Treasurer should extend consideration to all entertainments such as we have spoken of, for the purpose, as much as anything, of saving us the trouble of having to obtain permits. In many cases this has caused us endless trouble and worry. In one case I paid 15s. out of my own pocket for urgent wires to enable us to advertise the function far enough ahead. It is not that we wish to evade the payment of the tax. We look at the question in the light of what is intended by the entertainment. I do not think if the functions were run for the profit of an individual it should be exempt, but consideration should certainly be extended where the object is to benefit a charitable or public institution, or to forward a public purpose. I trust the Treasurer will help us in this way to make life more livable for residents in country districts.

Mr. GREGORY (Dampier) [5.34].—I do not think we can insert here any definition of "entertainment" that would meet the desires of honorable members generally. My impression is that the tax should be imposed where entertainments are carried out for profit, or people make a business of them. It should apply also to race, football, and cricket clubs, and matters of that sort. It should not be imposed where a little social is being held, and a great deal of trouble is caused in obtaining a permit. I have had the same experience as the honorable member for Maranoa (Mr. Page). People in a little country town 40 or 50 miles from a railway have to send all messages to the city by telegraph or telephone, and must obtain the permit before the night of the entertainment. I have in my bag some correspondence on this subject which is worth reading. It tends to show the difficulties that are in the way when an Act of Parliament is strictly administered. It might meet the case if a paragraph could be inserted at the end of the schedule stating expressly the classes of people who have to pay the tax. That would be better than asking that band socials should be exempt while other classes of entertainment that might well come within the same category are taxed. I should be glad if the Treasurer (Sir Joseph Cook) would exempt entertainments where no effort is made to make a profit for the individual; but, of course,

not exempting race clubs and institutions of that sort. A yachting club, for instance, that runs a big carnival, should pay the tax.

Mr. BELL.—It is the man who buys the ticket that pays the tax.

Mr. GREGORY.—The tax should operate in cases of that sort. I do not want to see people able to go to the racecourse without having to pay it. Later I shall move to strike out the words "exceeding 3s." in order to insert a lower amount. If the Treasurer could promise to insert a paragraph at the end of the schedule making it clear that the class of entertainment for which honorable members generally have been appealing will be given consideration, that would be much better than to carry the amendment of the honorable member for Hume.

Mr. LAVELLE (Calare) [5.37].—I am rather surprised at the attitude of the Treasurer towards the amendment, and I am also surprised generally by the resolution which he asks the Committee to pass. I was under the impression that he was going to give the people of Australia something real in the way of a reduction of the entertainments tax, but so far as I can see, he has given them very little. He has exempted from taxation cinematograph and theatrical entertainments and concerts, where the charge for admission is less than 3s., but has failed to exempt all other entertainments. As was very ably and correctly pointed out by the honorable member for Maranoa (Mr. James Page), the resolution, as it stands, will inflict great hardships on the residents of country districts. I noticed a number of honorable members smile when the honorable member pointed out the manner in which the measure will affect those country districts. Their smiles proved to me and others conversant with country conditions that they did not know anything about them. Those of us who do understand them, realize that practically the only forms of entertainment provided in real out-back districts are the annual day's horse-racing, and a periodical dance. If the Bill goes through in its present form, the residents in those districts, who have to put up with more than sufficient hardships as it is, will be taxed when they attend the only entertainments at their disposal. For these

reasons, I am sure the Treasurer will accept the amendment, and will exempt, so far as the amendment goes, although it does not go as far as I could wish, those forms of entertainment mentioned by the honorable member for Hume.

Mr. WEST.—Do not forget the entertainments got up for poor widows.

Mr. LAVELLE.—Quite so; it is customary to get up entertainments for widows and others in need, and such entertainments are taxed by the Bill. For the Treasurer to bring a measure before us, and try to convince us and the electors that he is affording some real relief, is, to my mind, only a piece of political humbug. A few forms of entertainment in the cities will be exempt, but no redress will be afforded in country districts. I hope the Treasurer will accept the amendment; then, bad as the measure is, it will be more acceptable than at present.

Sir JOSEPH COOK.—Thank you for nothing!

Mr. LAVELLE.—You are giving us nothing by this measure.

Sir JOSEPH COOK (Parramatta—Treasurer) [5.41].—I see the difficulty, and it is a real one. The rigid application of the Act in its present form might, indeed, impose hardship on country bands and such like institutions. After all, the test is—Are the entertainments carried on for profit, or are they not? May I suggest that the honorable member for Hume withdraw his amendment, with a view to the insertion of the following words after the word "concerts":—"or entertainments for the purpose of raising funds for musical societies, associations, or bodies not carried on for the profit of the individual members thereof."

Mr. GREGORY.—That does not apply to race-courses?

Sir JOSEPH COOK.—No.

Mr. PARKER MOLONEY.—Will the suggested amendment cover bands?

Sir JOSEPH COOK.—The word "bodies" must, of course, cover bands.

Mr. PARKER MOLONEY.—On that assurance I ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment (by Sir JOSEPH COOK) agreed to—

That after the word "concerts" in paragraph a, "the following words be inserted:—"or entertainments for the purpose of raising funds for musical societies, associations, or



bodies not carried on for the profit of the individual members thereof."

**Mr. GREGORY** (Dampier) [5.44].—I move—

That the words "three shillings" in the second column of paragraph a be left out, with a view to insert in lieu thereof the words "one shilling."

This amendment, if carried, will, of course, involve consequential amendments, and any charge over 1s. for admission to any entertainment will have to be taxed. There is great necessity for economy, and also for revenue, in this country at the present time, and I do not regard a tax on any charge over 1s. as excessive. I may say that, even if my amendment is carried, I shall vote against the Bill as a whole; but if it is to be passed, then I wish it to produce as much revenue as possible. I am sure that the suggestion to introduce this Bill never came from the Treasurer himself, but must be in fulfilment of a Government pre-election promise. That being so, the Government will have done its duty in asking the House to accept it, and, I think, the duty of honorable members is at least to accept the amendment I now propose. Many honorable members are anxious that children shall not be taxed on their admission money to entertainments, and the amendment will leave them quite free. I do not see why in times like these persons who are prepared to pay 2s. 6d. or 3s. for an entertainment should not pay a tax. I can see no justification for exempting them.

**Mr. LAVELLE**.—I can see no justification for taxing them.

**Mr. GREGORY**.—We must have revenue, and the honorable member will have an opportunity to reduce taxation when we come to deal with the Tariff, which presses very hardly on poor people, in view of the increasing cost of living. Surely it is better to tax the person who pays 2s. 6d. or 3s. for an entertainment, than a poor woman who purchases some tinned fish or something of that sort. As a matter of principle, I think we are quite justified in reducing the amount.

**The CHAIRMAN** (Hon. J. M. Chanter).—I am inclined to think that the amendment is not in order.

**Mr. GREGORY**.—Words have just been added, on the motion of the Treasurer.

**The CHAIRMAN**.—It is quite competent for any honorable member to move in the direction of reducing taxation,

but it is not competent for him to submit a motion that will have the effect of increasing it. The amendment moved by the honorable member will have that latter effect, and, therefore, I am of opinion that it is not in order.

**Mr. GREGORY**.—Did this Bill come down with a message from the Governor-General?

**Sir JOSEPH COOK**.—Yes.

**Mr. GREGORY**.—I submit that my amendment does not have the effect of increasing taxation.

**Mr. TUDOR**.—Then your amendment has no effect.

**Mr. GREGORY**.—The taxation is already on the statute-book.

**Mr. MAXWELL**.—You are preventing its reduction.

**Mr. GREGORY**.—Quite so; my amendment is a reduction of the exemption. As the Act stands at present, I submit that I am really proposing to reduce taxation.

**Sir JOSEPH COOK**.—You are reducing the exemption.

**Mr. GREGORY**.—I am reducing taxation.

**Sir JOSEPH COOK**.—You are reducing the exemption, and, therefore, you are increasing the taxation.

**Mr. GREGORY**.—The resolution before us is merely a proposal, and it is one to reduce, and not to increase, taxation. At the present time certain taxation is imposed on entertainments, and the Treasurer proposes to reduce it. I am seeking to prevent that reduction, by not giving effect to it to the extent he desires. But I am not increasing present taxation; I am reducing it.

**Sir JOSEPH COOK**.—The point is, I think, that the honorable member for Dampier (Mr. Gregory) proposes to increase the amount provided for in the Governor General's message, and in that sense is, undoubtedly, increasing taxation.

**Mr. TUDOR**.—I submit that the honorable member for Dampier, by his amendment, is increasing the taxation of the people, which is not within the competence of a private member, any more than it would be competent for me to move an increase of Tariff duties. Only a Minister of the Crown can propose to impose taxation. The honorable member for Dampier

proposes to make every person who pays between 1s. and 3s. for an entertainment, pay a tax; he brings all such persons within the ambit of taxation.

Mr. BRUCE.—Every person is within the ambit to-day.

Mr. TUDOR.—No; only the Treasurer can propose to impose taxation.

Sir JOSEPH COOK.—Quite right; all those people are within the ambit of taxation, and I am proposing to take them out. The honorable member for Dampier proposes to retain them there.

Mr. TUDOR.—I submit that it is not competent for an honorable member to propose to retain those people within the ambit of taxation, when the Treasurer proposes to take them out.

Mr. MAXWELL.—The Treasurer has told us that his proposal will involve a reduction of taxation to the extent of about £200,000. The honorable member for Dampier (Mr. Gregory) wishes to reduce that amount to £60,000, or, approximately, one-third.

Mr. TUDOR.—I submit that it is not competent for a private member to do that. It is, however, open to the honorable member to object to the whole financial proposals of the Government.

Mr. GREGORY.—I am attempting to reduce taxation.

Mr. TUDOR.—The honorable member is attempting nothing of the kind. His aim is to secure more revenue. Otherwise he would vote to wipe out the whole of the tax. I submit that his proposal is not in order.

Mr. FENTON.—May I point out that the Treasurer (Sir Joseph Cook) has moved a resolution in accordance with a message from the Governor-General. That, I submit, is the question now before the Committee, and upon that question the honorable member for Dampier (Mr. Gregory) has attempted to move an amendment for the purpose of increasing the amount of revenue which will be derived under the proposal of the Treasurer. I, too, contend that he is not in order in adopting that course.

The CHAIRMAN (Hon. J. M. Chanter).—I have not yet given any ruling upon the proposal of the honorable member for Dampier (Mr. Gregory), although I stated that, in my opinion,

it was out of order because it is not competent for a member of the Committee to submit any proposal which would have the effect of increasing taxation. The position is clearly set out in standing order 171, which reads—

No amendment for the imposition or for the increase of a tax, rate or duty shall be proposed by any non-official member in any Committee on any Bill.

But when I expressed my opinion upon the proposal of the honorable member for Dampier I overlooked the fact that we are not now dealing with a Bill, but with a resolution in Committee of Ways and Means. I am, therefore, obliged to recall a ruling which I gave in the first Parliament of the Commonwealth, when the first Tariff was under consideration. Upon that occasion a non-official member of the Committee sought to increase a rate of duty, whereupon I ruled that at that stage, and at that stage only, it was competent for an honorable member to move in the direction indicated. I then gave my reasons for that ruling. A very long debate ensued, in which the greatest constitutionalists of that day, including the late Sir George Reid, the late Mr. Alfred Deakin, and a number of others took part. After I had given my ruling, the matter was referred to the late Mr. Speaker Holder for his final decision. He listened attentively to the debate which followed, and, in a very lengthy ruling, stated that, much against his wish, he had to confess that the ruling which I had given was in order, and that, therefore, it would stand. Having ruled in the way that I did upon that occasion, I must give a similar ruling now.

Sir JOSEPH COOK.—Not necessarily.

The CHAIRMAN.—I wish to be fair to the Committee.

Sir JOSEPH COOK.—The High Court has just reversed its decision upon an important matter.

The CHAIRMAN.—The High Court may do so, but, until sufficient reason has been given for a departure from the ruling to which I have referred, the higher Court of Parliament should not act similarly. Consequently I now rule that the amendment of the honorable member for Dampier is in order, notwithstanding my opinion that it seeks



to increase a rate or duty in opposition to the provisions contained in standing order 171.

Amendment negatived.

Resolution, as amended, agreed to and reported.

Standing Orders suspended; resolution adopted.

Ordered—

That Sir Joseph Cook and Mr. Poynton do prepare and bring in a Bill to carry out the foregoing resolution.

Bill presented by Sir JOSEPH COOK, and read a first time.

## SECOND READING.

Motion (by Sir JOSEPH COOK) proposed—

That this Bill be now read a second time.

Mr. GREGORY (Dampier) [6.3].—I desire to take a test vote upon this motion, and am quite content to go to a division forthwith.

Question—That the Bill be now read a second time—put. The House divided.

Ayes .. .. .	33
Noes .. .. .	7

Majority .. .. .	26
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### AYES.

Atkinson, L.	Mackay, G. H.
Best, Sir Robert	Marr, C. W. C.
Blakeley, A.	Mathews, J.
Blundell, R. P.	Maxwell, G. A.
Brennan, F.	McDonald, C.
Cameron, D. C.	Nicholls, S. R.
Chanter, J. M.	Page, James
Cook, Sir Joseph	Poynton, A.
Cunningham, L. L.	Rodgers, A. S.
Fenton, J. E.	Ryrie, Sir Granville
Greene, W. M.	Smith, Laird
Groom, L. E.	Tudor, F. G.
Hay, A.	West, J. E.
Higgs, W. G.	Wise, G. H.
Lavelle, T. J.	Tellers:
Lazzarini, H. P.	Burchell, R. J.
Lister, J. H.	Story, W. H.

### NOES.

Bell, G. J.	Hill, W. C.
Bruce, S. M.	Tellers:
Cook, Robert	Foster, Richard
Corser, E. B. C.	Gregory, H.

Question so resolved in the affirmative.

Bill read a second time, and passed through its remaining stages without amendment.

## INCOME TAX BILL.

In Committee of Ways and Means:

Sir JOSEPH COOK (Parramatta—Treasurer) [6.11].—I move—

That a tax be imposed on income derived from sources in Australia at the following amounts and rates, namely:—

### A.—RATE OF TAX UPON INCOME DERIVED FROM PERSONAL EXERTION.

For so much of the whole taxable income as does not exceed £7,600, the average rate of tax per pound sterling shall be Threepence and three eight-hundredths of one penny where the taxable income is One pound sterling, and shall increase uniformly with each increase of One pound sterling of the taxable income by three eight-hundredths of one penny.

The average rate of tax per pound sterling for so much of the taxable income as does not exceed £7,600 may be calculated from the following formula:—

R = average rate of tax in pence per pound sterling.

I = taxable income in pounds sterling.

$$R = \left[ 3 + \frac{3}{800}I \right] \text{ pence.}$$

For every pound sterling of taxable income in excess of £7,600 the rate of tax shall be Sixty pence.

### B.—RATE OF TAX UPON INCOME DERIVED FROM PROPERTY.

(a) For such part of the taxable income as does not exceed £546 the average rate of tax per pound sterling shall be that given by the following formula:—

R = average rate of tax in pence per pound sterling.

I = taxable income in pounds sterling.

$$R = \left[ 3 + \frac{I}{181.058} \right] \text{ pence.}$$

(b) For such part of the taxable income as exceeds £546, but does not exceed £2,000, the additional tax for each additional pound of taxable income above £546 shall increase continuously with the increase of the taxable income in a curve of the second degree in such a manner that the increase of tax for One pound increase of taxable income shall be—

11.713 pence for the pound sterling between	£545 10s. 0d. and £546 10s. 0d.
12.768 pence for the pound sterling between	£599 10s. 0d. and £600 10s. 0d.
14.672 pence for the pound sterling between	£699 10s. 0d. and £700 10s. 0d.
16.512 pence for the pound sterling between	£799 10s. 0d. and £800 10s. 0d.
18.288 pence for the pound sterling between	£899 10s. 0d. and £900 10s. 0d.
20.000 pence for the pound sterling between	£999 10s. 0d. and £1,000 10s. 0d.
27.600 pence for the pound sterling between	£1,499 10s. 0d. and £1,500 10s. 0d.
33.600 pence for the pound sterling between	£1,999 10s. 0d. and £2,000 10s. 0d.

(c) For such part of the taxable income as exceeds £2,000, but does not exceed £6,500, the additional tax for each additional pound of taxable income above £2,000 shall increase continuously with the increase of the taxable income in a curve of the third degree in such a manner that the increase of tax for One pound increase of taxable income shall be—

33.600 pence for the pound sterling between £1,999 10s. 0d. and £2,000 10s. 0d.

40.000 pence for the pound sterling between £2,499 10s. 0d. and £2,500 10s. 0d.

45.300 pence for the pound sterling between £2,999 10s. 0d. and £3,000 10s. 0d.

49.600 pence for the pound sterling between £3,499 10s. 0d. and £3,500 10s. 0d.

53.000 pence for the pound sterling between £3,999 10s. 0d. and £4,000 10s. 0d.

55.600 pence for the pound sterling between £4,499 10s. 0d. and £4,500 10s. 0d.

57.500 pence for the pound sterling between £4,999 10s. 0d. and £5,000 10s. 0d.

58.800 pence for the pound sterling between £5,499 10s. 0d. and £5,500 10s. 0d.

59.600 pence for the pound sterling between £5,999 10s. 0d. and £6,000 10s. 0d.

60.000 pence for the pound sterling between £6,499 10s. 0d. and £6,500 10s. 0d.

(d) For every pound sterling of taxable income in excess of £6,500 the rate of tax shall be Sixty pence.

#### C.—RATES OF TAX IN RESPECT OF TAXABLE INCOME DERIVED PARTLY FROM PERSONAL EXERTION AND PARTLY FROM PROPERTY.

(a) For every pound sterling of taxable income derived from personal exertion, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Subdivision A if the total taxable income of the taxpayer were derived exclusively from personal exertion by the amount of the total taxable income.

(b) For every pound sterling of taxable income derived from property, the rate of tax shall be ascertained by dividing the total amount of the tax that would be payable under Subdivision B if the total taxable income of the taxpayer were derived exclusively from property by the amount of the total taxable income.

#### D.—ADDITIONAL TAX.

In addition to the tax payable under the preceding provisions, there shall be payable, in the case of incomes in respect of which the tax is calculated under the foregoing provisions, an additional tax equal to twenty-five per centum of the amount of the tax so calculated.

*Sir Joseph Cook.*

#### E.—SUPER TAX.

In addition to any tax (including additional tax, if any) payable under the preceding provisions, there shall be payable a super tax equal to thirty per centum of the total amount of the tax so payable.

#### F.—ADDITIONAL SUPER TAX.

In addition to any tax (including additional tax and super tax, if any) payable under the preceding provisions, there shall be payable an additional super tax equal to five per centum of the total amount of the tax so payable.

#### G.—TAX PAYABLE IN CERTAIN CASES BY PERSONS NOT MARRIED AND HAVING NO DEPENDANTS.

Notwithstanding anything contained in the preceding provisions, the tax payable by any person who—

(a) is not married, has no dependants, and is not an absentee; and

(b) has a gross income of not less than One hundred pounds, or, in the case of a person carrying on a business in Australia, has an income from the business which, after deducting from the gross income the deductions specified in paragraph (a) of subsection (1) of section eighteen of the Income Tax Assessment Act 1915-1918 amounts, together with his income from all other sources in Australia, to not less than One hundred pounds; and

(c) would, apart from this provision, not be liable to pay an income tax of One pound or upwards, shall be One pound.

#### H.—TAX PAYABLE IN RESPECT OF A CASH PRIZE IN A LOTTERY.

There shall be payable in respect of a cash prize in a lottery won after the commencement of the Act passed to give effect to this resolution, income tax to the amount of fourteen per centum of the gross prize money.

#### I.—RATES OF TAX UPON THE INCOME OF A COMPANY.

(a) For every pound sterling of the taxable income of a company which has not been distributed to the members or shareholders of the company the rate of tax shall be Two shillings and eightpence.

(b) For every pound sterling of the income of a company distributed to the members, shareholders, or stockholders of the company who are absentees, and of interest paid or credited by the company to any person who is an absentee in respect of debentures of the company, or on money lodged at interest with the company by such person, the rate of tax shall be Eightpence.

This Bill imposes the rates of income tax for the financial year 1920-21. As I indicated in the Budget speech it is the intention of the Government to propose a general increase in the income tax rate



of 5 per cent. on the rates of the preceding year. I find that that announcement is misapprehended in many quarters. People imagine that we are imposing a new rate of 5 per cent. on the total income of the people. That is not so. It is a 5 per cent. increase on the rates of last year; that is to say, a person who paid £100 in taxation last year will pay £105 under this proposal. The proposed rates represent an increase of 70½ per cent. over the rates originally fixed in 1915. It will be remembered that those rates were first increased by 25 per cent. in 1916, and in 1918 the rates then in force were further increased by 30 per cent. This increased the original 1915 rates by 62½ per cent. The present proposal means an increase of 5 per cent. on the 1915 rates, plus 5 per cent. on each of the latter increases mentioned. The first, second, and third schedules of the Bill are on the same basis as those of the original Act. It is not considered desirable to revise the schedules so as to embody the proposed rates of tax, as it would be necessary to so revise them as to set out the curves of the second and third degrees increased by that percentage. Such schedules would be complicated and cumbersome, and I therefore propose to leave the curves alone for the time being.

Mr. JAMES PAGE.—Keep to the straight; never mind the curves.

Sir JOSEPH COOK.—But the curves remain in the Bill.

Mr. WEST.—The Treasurer does not understand them.

Sir JOSEPH COOK.—No, and I am sure the honorable member does not. The better method for the present is to retain the original schedule, and to provide in the substantive portion of the Act for the addition of certain specified percentages to the amounts as calculated under the schedules. Although the desirability of abolishing the schedules in the present form, with a view to the substitution of a simpler form, has been considered, it is not deemed desirable to alter the present method, pending the report of the Royal Commission on Taxation, which is now beginning its investigations into the whole incidence of taxation, Federal and State. All previous collections of income tax have been made on the basis of those schedules, and, consequently, the additional amount of tax to

be derived from any percentage of increase can be calculated with accuracy. If these schedules were cast aside, and some simpler method were introduced, it could not be guaranteed with any degree of certainty that the incidence of the rates would remain the same, and that the desired amount of tax would be collected. A very difficult process of adjustment would be entailed. The curves would require to be examined and mathematically drawn again; therefore, it is better, on the whole, to leave them alone for the present. In connexion with the 5 per cent. increases, one or two little anomalies occur. For instance, as regards the rate on cash prizes in lotteries, the rate last year was 13 per cent., and as a 5 per cent. increase on this would give only a fractional increase on the previous rate, for simplicity of calculation the rate has been increased to 14 per cent. Similarly, in the case of companies, as the exact 5 per cent. increase would make the rate on undistributed profits of a company 2s. 7½d., it has been decided to fix the rate at 2s. 8d. This will make for simplicity of calculation in the assessment, and, in addition, the Department will get an extra ½d. in the £1.

Mr. TUDOR (Yarra) [6.19].—I am sorry that we have not before us the Income Tax Assessment Act, which fixes the amount of general exemption and the amount to which a parent shall be entitled to deduct for each child. The Federal Act is much fairer in that respect than are some of the State Acts, which give no exemption for children. I have said on each occasion when the Income Tax Bill has been before Parliament during the last two or three years, that the exemption of £156 is not of anything like the assistance that it was when it was fixed in 1915. The purchasing power of money to-day is much less; £3 per week then had probably a greater purchasing power than £4 has to-day. The amount of the general exemption should be increased. The increase in the rate of tax which the Treasurer is proposing is more than 5 per cent. If a man was paying £100 in income tax in 1915, he had to pay under the 1916 Act £125. Since then, we added the supertax of 30 per cent., not on to the £100, but on the £125. This would represent £37, which, added to the £125, would bring the

amount to over £162, really more than is estimated under this measure. The Taxation Department officials use a ready reckoner, which shows what each £1 of income is liable for under these curves. They merely added the 25 per cent., then the supertax of 30 per cent., and now they will add this proposed 5 per cent. increase.

Mr. FENTON.—When these resolutions are submitted, it would be much better if we had a simple illustration of what an ordinary income would be called upon to bear.

Mr. TUDOR.—That would not be a bad idea. On page 20 of the Budget papers there is set out a table showing that individuals and companies with incomes of £1,000 and upwards paid over £9,000,000 out of a total of £10,800,000 income tax collected last year, but if we look at the percentage of total tax assessed, we find that the only substantial increase is in the case of incomes of £10,000 and upwards. Since 1915-16, they have increased 6.9 per cent. The percentage of total tax assessed has increased, in the case of incomes below this amount, from about  $\frac{1}{2}$  per cent. to 1 per cent. I agree with the Treasurer that the Taxation Commission may be able to throw some light upon the incidence of taxation, but Parliament must take any responsibility for altering the exemption limit, and of deciding how the tax shall be borne by the community. When the Minister for the Navy (Mr. Poynton) was Acting Treasurer last year, in the absence of Mr. Watt, I brought under his notice the fact that, while an exemption is granted in the case of unmarried persons who may be supporting relatives, a married man who may also be contributing to the support of relatives does not enjoy this relief. This, I think, is a matter which might well be inquired into by the Taxation Commission. I have no objection to the Bill at the present time. I understand the Treasurer is anxious to get these taxation proposals through in order that they may become operative for the current year, but I think we ought to deal with the question of raising the exemption in the Income Tax Assessment Act.

Sir JOSEPH COOK.—The Commission will inquire into the incidence of the income tax

Mr. TUDOR.—It is all very well for the Treasurer to say that. The Commission will, no doubt, look into the incidence of the tax, but if we allow the present exemptions to stand the Commission will not be able to do anything in that direction. In sub-paragraph *b* of paragraph G, it is provided that the tax payable by any person with a gross income of not less than £100, or in the case of a person carrying on a business in Australia, with an income from the business of not less than £100, after making allowable deductions under the Income Tax Assessment Act, shall be taxed £1. But that does not affect the exemption of the ordinary citizen.

Sir JOSEPH COOK.—We are not proposing to alter that in any way.

Mr. TUDOR.—I know that. The only alteration is this 5 per cent. increase, and it will operate in the case of a person winning Tattersall's Sweep, which is about the only lottery in Australia.

Mr. MATHEWS.—No. There is a lottery in Queensland.

Mr. TUDOR.—Yes. The Queensland lottery, I understand, is called the Golden Casket. We have been told that the undistributed profits of companies will now be taxed to the extent of 14 per cent., the rate, I understand, being increased from 2s. 6d. to 2s. 8d. I repeat that I am anxious to increase the exemption of ordinary incomes, which was fixed in 1915-16 at an average of £3 per week. The Treasurer, no doubt, is quite right in endeavouring to get his taxation proposals through, but we did not expect to deal with them to-day, and when we enter upon the discussion of the Budget the new imposts will be operative.

*Sitting suspended from 6.30 to 8 p.m.*

Question resolved in the affirmative.

Resolution reported.

Standing Orders suspended; resolution adopted.

*Ordered—*

That Sir Joseph Cook and Mr. Poynton do prepare and bring in a Bill to carry out the foregoing resolution.

Bill presented by Sir JOSEPH COOK, and read a first time.

SECOND READING.

Motion (by Sir JOSEPH COOK) proposed—

That this Bill be now read a second time.



**Mr. TUDOR (Yarra).** [8.4].—Since this is not a machinery Bill, I take it that the House will not be free to deal with various phases of the levying of income taxation, such as have already been indicated and discussed in this Chamber. The honorable member for Lilley (Mr. Mackay) introduced a motion some months ago which was agreed to, I understand, without division, and which was to the effect that the Government be recommended to introduce the principle of assessing the income of primary producers upon an average taken over a period of five years. That is something different from any procedure hitherto followed with respect to taxation in Australia. The idea is that if primary producers suffer from a bad season they should be able to spread its effects over a five-year period; or, that if there are four bad seasons among the five they should not be asked to pay income tax separately upon that prosperous fifth season, but should be assessed upon an average covering the whole period. I understand from the Treasurer (Sir Joseph Cook) that this matter is among those submitted to the recently appointed Royal Commission.

**Mr. MACKAY.**—The House was promised that that would be done.

**Mr. TUDOR.**—I take it, then, that we must wait until the Commission has presented its report. I do not know whether the Commission will be free to report generally, also, upon the matter of exemption. I desire that the matter of exemption shall be reviewed, both in respect of married and single persons. The levying of a tax of £1 upon people in receipt of incomes of £100 will hit certain grades of school teachers very hard. Numbers to-day are receiving £100, and, what with the ever-increasing cost of living, they are finding it more and more difficult, year by year, to live. Their salaries have not increased proportionately to the cost of things, so that they will not be in a position to meet the demands of the Taxation Commissioner. It is my intention, in Committee, to move for the insertion of a new clause to raise the exemption not only in respect of single persons, but also with the object of making the general exemption higher than £156. Wages in various industries have been increased on account of the cost of living, but men

to-day are finding themselves worse off at £200 per annum than when their pay was £156, prior to the war. *Knibbs* points out that the increase in the cost of most of our necessary staples of food and clothing amounts to nearly 100 per cent.

**Sir JOSEPH COOK.**—That is on some things.

**Mr. TUDOR.**—Practically everything required in an ordinary home has doubled in price. On most articles of wearing apparel that is certainly the case; while in regard to food and groceries the increases are, according to *Knibbs*, between 60 and 70 per cent.

**Sir JOSEPH COOK.**—And the total increase in the cost of living, so *Mr. Knibbs* says, is about 40 per cent.

**Mr. TUDOR.**—I am surprised to hear that.

**Sir JOSEPH COOK.**—So was I.

**Mr. TUDOR.**—I think the general increase will be found to be much more than 40 per cent.; but, even if such were the case, and taking that percentage as a basis, the exemption should be raised to £218.

**Sir JOSEPH COOK.**—That is a curious kind of reasoning.

**Mr. TUDOR.**—At any rate, I shall endeavour, in Committee, to secure the raising of the exemption.

**Mr. JOWETT (Grampians)** [8.11].—I do not see any reason for delaying the assessment of income tax over a five years' average until the report of the Taxation Royal Commission shall have been presented. Honorable members have fully discussed and unanimously agreed upon this method, and the Government must have accepted it as a very strong recommendation. From the inception of the Country party, the principle has comprised one of the most important planks in our platform. Many other honorable members, beside those in the Country party, strongly favour the granting of this just and equitable concession. As for the argument that it has not hitherto been tried in Australia, we need not go further for precedent than to examine the history of income taxation in Great Britain. Practically, since the levying of taxation on income was first adopted, the method of averaging on a basis of three years has been practised. It has always been recognised in England, at any rate, that to levy separately from year to year is grossly unjust to those engaged in somewhat

hazardous and precarious pursuits. Seeing that the system has been long tried, and is unquestionably accepted in the Mother Country, where seasons are not so precarious as in Australia, it is only right that the Commonwealth Government should adopt a like procedure. However much seasonal conditions may vary in Great Britain, the variation in Australia is considerably more marked, and the difficulties of those engaged in the primary and secondary industries—which are closely allied to our primary industries—are immensely greater than in the Old Country. I do not intend to labour the question; but I ask the Treasurer (Sir Joseph Cook) even if an amendment be not moved when the Bill is in Committee, to give the House some assurance that this matter will be taken into full and adequate consideration, and that an opportunity will be given to enable this House to come to a decision. I hope it is not the intention of the Government, upon this point at all events, to wait until the whole matter has been threshed out by a Royal Commission. The question at issue is of vital importance to those engaged in country districts, and particularly those connected with our primary industries. Our primary producers are unanimously in favour of the proposal, and I feel so strongly on the subject that I again ask the Treasurer to give the House some assurance that the Government will not wait until the report of the Royal Commission is furnished before taking action, but that he will make an endeavour to bring the change into operation as soon as possible.

**Mr. MACKAY (Lilley) [8.17].**—I was pleased to have the opportunity a few months ago of submitting a motion to this House dealing with the proposal to base the incomes of primary producers on returns over a five-year, instead of a one-year, period, as has been the custom in the past. When the motion was before the House the then Treasurer promised that the question would be referred to a Royal Commission, which was to be appointed to go thoroughly into the question of taxation, and, personally, I have every confidence that that will be done. I feel certain that it would be practically impossible to immediately bring this reform, which is generally regarded as a very necessary

one, about. I can see that it will take considerable time before it can be successfully brought into operation, and it is, therefore, likely that some time must elapse before a scheme that will be generally acceptable can be introduced. I cannot think that the honorable member for Grampians (Mr. Jowett) is really in earnest when he asks the Treasurer (Sir Joseph Cook) to give a definite promise to introduce the reform forthwith.

**Mr. JOWETT.**—I am quite in earnest.

**Mr. MACKAY.**—I cannot imagine the honorable member being in earnest in making such a suggestion, because he must realize that there are many difficulties surrounding the question.

**Mr. GREGORY.**—What are the difficulties?

**Mr. MACKAY.**—The honorable member for Dampier, who has had Ministerial experience, must know that there is a considerable amount of information to be obtained.

**Mr. JOWETT.**—The Department has all the information.

**Mr. MACKAY.**—I admit that the Taxation Department has records extending over a period of years, but I cannot for a moment believe that there is an officer in the Department who is prepared to come forward and say that he has sufficient information at his disposal on which to base a satisfactory provision for embodiment in a Bill.

**Mr. GREGORY.**—The present principle is unjust.

**Mr. MACKAY.**—I realize that, and I would not have submitted the motion, to which reference has been made early in the session, if I did not believe that the primary producers were being unfairly treated. It must be admitted that there are difficulties to overcome.

**Mr. JOWETT.**—I want to assist in overcoming them.

**Mr. MACKAY.**—I would strongly oppose any unnecessary delay in connexion with this matter. I expect the Treasurer to treat it as urgent, and to introduce a satisfactory proposal when the House meets early next year.

**Mr. GREGORY (Dampier) [8.20].**—I am not quite sure of the usual procedure when Bills of this character are introduced. I believe, however, that it is customary for the Government to place upon the notice-paper the business to be brought forward during the day so that



honorable members may have an opportunity of collecting any information they may desire to enable them to properly debate the questions before the House. It is somewhat difficult when important measures are brought forward without the slightest notification.

Sir JOSEPH COOK.—This is not an amendment of the Income Tax Act, but merely a slight alteration in the method of assessment.

Mr. GREGORY.—I realize that; but in discussing measures of this nature other questions relating to taxation naturally arise.

Sir JOSEPH COOK.—But they cannot be dealt with on this Bill.

Mr. GREGORY.—I understand that, and it was my intention to draw the attention of the Leader of the Opposition (Mr. Tudor) to that fact. Nevertheless, honorable members generally consider that when a measure of this character is before the Chamber they have an opportunity of drawing the attention of the Government to certain specific matters in the hope of obtaining promises that legislation will be brought forward to give relief where they consider it necessary.

It was my intention to deal with the question of exemptions, which has already been mentioned by the Leader of the Opposition, but I can see that there is no opportunity to do so on this occasion. I may say, however, that I am a great believer in every one paying something, however small, in the form of direct taxation, because it helps people to become better citizens and to realize their responsibilities when selecting their political representatives. In view of the great increase in the cost of living I think it would be wise for the Government to give consideration to the question raised by the Leader of the Opposition, but the better way would be to relieve a taxpayer according to the family he has to support, instead of increasing the exemption. If such a proposal were submitted to the House it would have my support. Some time ago various matters were brought before the Treasurer (Sir Joseph Cook), and a Royal Commission has been appointed to make full inquiries. I was out of the Chamber when the Treasurer delivered his speech, and I would, therefore, like to ascertain whether we are

likely to have the report of that Commission during the present session, and whether it will be possible to give effect to its recommendations if the Government approve of them.

Sir JOSEPH COOK.—I hope so.

Mr. GREGORY.—The matter is of great importance, and I have received communications from all parts of the country. Here is one from the Producers Association's Central Council of New South Wales, which reads—

For some years past, it has been very apparent that the system of taxing the primary producers upon the results of each individual year's operations has proved most inequitable and unfair owing to the extreme fluctuations that come from seasonal conditions. One year the taxpayer has to pay upon a large profit, and the next year he may have a huge loss owing to drought, and it may take him years to recover his position; but, except that he pays no tax on the year of his extreme loss, he gets no other relief, for, as soon as he can again show a profit over working expenses, the Taxation Department is down upon him again, though his previous year's loss may have only been covered in a small degree.

That is apparent to every man who goes on the land. Periods of severe drought are usually followed by exceptionally heavy rains and floods, and it often happens that thousands of head of stock are destroyed. Many poor devils who have been contending against drought for years lose their stock when heavy rains fall, and are frequently called upon to pay taxation upon the value of the stock they have lost. Surely there is something grossly unfair which compels these people to pay taxation upon the value of stock which they have lost, after having spent considerable money in an endeavour to keep them alive. In Great Britain the income of a primary producer is averaged over a period of three or five years.

Mr. JOWETT.—Three years.

Mr. GREGORY.—Then I think the same principle should apply in Australia. We have passed some very unfair taxation proposals in this Chamber, and I am never likely to forget the amendment of the war-time profits tax, brought forward by the late Treasurer (Mr. Watt). Any one who realizes the huge expanse of territory we have in our back country, and who knows the vicissitudes and hardships experienced by many of our primary producers, can realize how unfairly the war-time profits tax has affected many of

them. They have had to contend against difficulties and dangers year in and year out, and surely, when it comes to a question of taxation, they are worthy of some consideration. I have, on previous occasions, referred to a man who had invested £17,000 in the back country, and who, for seven years prior to the war, showed a loss. In the first year after the war he showed a profit of £1,200, and in the next year £4,800, but after paying land tax and income tax on that £4,800, which was a book profit only, as he might lose the whole of it the next year, he was asked to contribute £2,750 as a war-time profits tax. On the other hand, a man may remain in the city and place a similar amount of capital out on mortgage, which would give him an assured income without the slightest risk. The man on the land had to pay £2,750 on an income of £4,800, but the man who had money out on mortgage would not have to contribute a single penny, even if he in the same period earned £50,000 or more as a commission agent, because he made his income with his brains. That is a grave reflection on the laws of this country, and such a provision is grossly unfair. I have also heard of another man who, in 1911, showed a loss of £840; in 1912 a loss of £623; in 1913 a loss of £126; in 1914 a profit of £283, and in 1915 a profit of £158. In 1916 he made a loss of £33. He had a large amount of capital invested, and after battling in the bush, fighting against nature for all these years, he showed a net loss of £1,181 up to the 30th June, 1916. For the year 1916-17 he showed a book profit of £3,035, and for the year 1917-18 a book profit of £2,506. In respect of those two years, after paying land and income tax, he was called upon to pay £1,703 by way of war-time profits taxation. In other words, this man, allowing for his losses, was asked to pay to the Commonwealth by way of taxation 70 per cent. of his actual income. No one will say that that is fair.

Mr. BRUCE.—It is all due to the fact that an averaging clause was not inserted in the original Bill.

Mr. GREGORY.—That does not apply so much to the war-time profits tax.

Mr. BRUCE.—It does. Such a provision was inserted in the British Act, but

it was omitted from the Commonwealth Act.

Mr. GREGORY.—In connexion with the war-time profits tax, we gave pastoralists the right to average their income over a period of six years.

Mr. BRUCE.—According to the pre-war standard.

Mr. GREGORY.—Yes. Unfortunately, while it was agreed that their war-time profits taxation should be based on their average profits for six years prior to the war, the House refused to insert in the original Bill a clause suggested by me under which the pastoralists would have been allowed 10 per cent. on their capital, and would have been taxed on all income in excess of that amount. I should have been satisfied with such a provision.

I mention these matters, not because they actually come within the scope of the Bill before us, but to show how necessary it is that the Government should review as quickly as possible their whole system of taxation. Every honorable member, no matter on what side of the House he sits, desires that something like fair play shall be meted out to all sections of the community. Income tax based on book profits may be all very well in the case of the ordinary business man, who is permitted to make a reduction in respect of bad debts, and whose stock is such that it will be of value in the succeeding year; but it is not applicable to those engaged in primary pursuits. It may not work any serious injustice in the case of pastoralists in Victoria, where a drought rarely occurs, but it is wholly unjust in the case of men who take up country that is subject to periodical droughts. It should be our object to help and encourage such people. The more wealth they can produce, the better for the country. The man who can make huge profits should certainly be compelled to pay income tax upon them, but the taxation should be based, not upon his book profits, but upon his actual earnings, and when the opportunity arrives I shall strongly press for an amendment in this direction.

Here is yet another fallacy associated with the Income Tax Department. The taxation authorities require of every grazier a complete balance-sheet, and they value every lamb and calf produced upon his property and tax him accordingly,



although he may not have realized upon them.

Mr. BAMFORD.—Stock increases do not necessarily represent income that has been realized.

Mr. GREGORY.—The Department holds that they do, and it requires graziers to pay income tax upon the value of every lamb raised on their holdings.

Mr. TUDOR.—That taxation, however, is based upon a value of about 10s. per sheep.

Mr. GREGORY.—The valuation varies; it is less in the north than it is in the south. I know of a man who bought a station in the northern part of Western Australia, on which there were a number of cattle. Desiring to convert it into a sheep-station, he sent 400 head of cattle down south to Cue. I dare say that those cattle in ordinary circumstances would have been worth from £12 to £15 per head, but after allowing for the cost of droving, selling, and losses *en route*—owing to the drought there was lack of water on the route, and nearly every head of cattle was lost—the owner of this station made an actual loss of £120 on the sale, when he lost all his cattle, and £120 in addition. Extreme difficulty was experienced in inducing the Taxation Department to believe that loss came within the scope of the section in the Act which provides for deductions in respect of losses due to drought. It was said that the drought had not occurred on the station property, and that, therefore, the case did not come within the meaning of the Act. I cite this case with the object of emphasizing the point that a man should be compelled to pay income tax only upon the profits actually realized by him. Sooner or later a grazier must realize upon his stock, and when he does—when he secures payment—he should be taxed. Honorable members would not think of paying taxation in respect of salary which they had been promised but had not received. In the case of the primary producer income tax should be levied on the average basis, and should be collected only in respect of profits actually made.

Another point is that the income tax assessment forms should be simplified. It ought to be possible for the Department to prepare a form compelling taxpayers to furnish all the information required, and yet so simply framed that the average

man would be able to fill it in without having to seek the assistance of agents. The Treasurer (Sir Joseph Cook) has promised that the Taxation Commission will be asked to make recommendations for the simplification of income tax forms, and I hope that when those recommendations are made they will receive treatment different from that meted out to those previously made in connexion with other taxation proposals. Some time ago a Conference of the Federal and State Commissioners of Taxation was held, and one of the most important decisions arrived at was that the profits of companies should be taxed at their source. In other words, it was decided that companies should be compelled to pay income tax on all profits that were apportioned to shareholders. Had that recommendation been adopted, the Department would have received from companies every penny payable by way of income tax on their dividends. At the present time they collect the tax from the individual shareholders who receive the dividends. Some people who receive only small dividends might forget to include them in their returns.

Mr. BRUCE.—But in many cases the tax payable is on a much higher basis where it is collected from the individual.

Mr. GREGORY.—That matter was discussed and threshed out on a previous occasion. The companies should be compelled to pay the taxation on the basis laid down by the Income Tax Assessment Act. Under the system recommended, if a man had an income of £1,000 per year, one-half of which was derived from dividends, on which, let us say, 1s. 6d. in the £1 had been paid by way of income tax, whereas the rate of tax on the total income of £1,000 was 2s. in the £1, the Department would surcharge him to the extent of 6d. in the £1 in respect of the dividends amounting to £500, on which 1s. 6d. in the £1 had been paid by the company from which they had been received. On the other hand, it would make a rebate where the amount paid was in excess of the rate in respect of which the taxpayer was liable.

Mr. BRUCE.—That is being done in Britain to-day. There they have taxation at the source, and a super-tax is paid by the individual.

Sir JOSEPH COOK.—But there they have a huge Inland Revenue Department.

Mr. GREGORY.—Nothing of the sort would be required here. This system would very much simplify matters. The Commonwealth and State Commissioners of Taxation unanimously agreed to the recommendation.

Sir ROBERT BEST.—I do not think the Commonwealth Commissioner of Taxation agreed to it.

Mr. GREGORY.—He did; I have no doubt on the point.

Mr. BRUCE.—The States are adopting that system.

Mr. GREGORY.—That is so.

Another reform that is urgently needed is the institution of one collecting authority and one form of taxation for Commonwealth, State, and municipal land taxation. Just as many people think that on applying to be enrolled for a State electorate they will also be enrolled for a Federal electorate, or *vice versa*, so many people are greatly confused by the varying forms of Federal and State land taxation. We should endeavour to adopt as quickly as possible a uniform system that would give relief to the taxpayers, and earn for us their gratitude and respect. Under the present system we have a conglomeration of returns which have to be sent in to the Federal and State authorities, and huge expense is unnecessarily incurred in their printing, distribution, collection, and examination. I believe that the additional labour, cost of printing, and loss of time involved must represent something like £750,000 per annum. I hope we shall be able to obtain from the Treasurer an announcement that he will make a special effort to bring the States into complete harmony with us in this regard, and that we shall have very soon a measure providing for simplicity of taxation forms and one collecting agency for the Commonwealth and the States.

Mr. BLAKELEY (Darling) [8.45].—I am extremely disappointed that the Treasurer (Sir Joseph Cook), in submitting this Bill, has made no provision for increasing the amount exempted from income tax. The sovereign of 1911 is now worth no more than about 13s., but the present high cost of living has not been taken into consideration as it ought to have been. I think that some relief should be given to taxpayers by the increase of the amount exempted from taxation to more than £156.

Sir JOSEPH COOK.—Suppose that wages have increased to the same extent as the cost of living? In that case a man would be as well able to pay the tax now as he was before.

Mr. BLAKELEY.—Different Commissions that have investigated the question from time to time have found that the increase in wages has not kept pace with the increase in the cost of living. So far as I can learn, the Basic Wage Commission will shortly recommend a basic wage of £6 per week, and I have no doubt that its decision will be based upon the evidence collected by it.

Sir JOSEPH COOK.—That will mean more taxation, will it not?

Mr. BLAKELEY.—It is very clear that present rates of wages are insufficient to cope with the increased cost of living.

Sir JOSEPH COOK.—The honorable member is telling us in one breath that we should have fewer persons liable to taxation and less taxes, and in the next that our people should receive higher incomes.

Mr. BLAKELEY.—My complaint is that no allowance has been made for the depreciation in the purchasing power of the sovereign, and it is because of that depreciation and because wages have not increased in anything like the same ratio as the cost of living, which will be proved conclusively when the Basic Wage Commission issues its report, that we believe that the amount exempted from income tax should be increased. I intend when the Bill is in Committee to move to increase the exemption to £200, and I hope that the Treasurer will be satisfied with that proposal.

Sir JOSEPH COOK.—We cannot do that.

Mr. BLAKELEY.—The question of assessing the incomes of primary producers on a five years' average has been discussed in this House before, and a majority of honorable members have decided in favour of it. It seems to me that the Treasurer might have taken the trouble to give effect to that expression of opinion by honorable members.

Mr. JOWETT.—It was unanimous.

Mr. BLAKELEY.—I believe that the decision was a unanimous one. It is undoubted that a majority of the members



of this House are in favour of the adoption of that method of assessing such incomes, and the Treasurer should meet the wish in that regard that has been expressed. In some parts of New South Wales, in 1915, people had a good year, but in 1916, 1917, 1918, and 1919 the residents of those parts experienced bad years. They paid on their incomes in 1915, and in some cases they had a good season in 1916, and paid on their incomes during that year. At the present time they are mortgaged up to the hilt, and I have had applications from graziers, selectors, and farmers to obtain for them time within which to pay their taxation. They have had to spend the incomes of good years in the purchase of fodder to carry them over bad years. They are now head over heels in debt, and although they will in all probability have a splendid season this year, all that they will make will have to go to pay off debts contracted during the last three or four years. In the circumstances, it is, I think, clear that the average income over a period of five years is the fairest basis of assessment for taxation.

On the question of the simplification of the income tax schedules, I understand that a new form of schedule has been drafted, and has been submitted to the State Governments. It is to be hoped that they will agree to adopt the common form proposed, and that in future the Commonwealth will be the only authority collecting this taxation. The simplification of the schedule is highly desirable, especially in the interests of those who do not reside in the towns, where accountants may be employed to assist taxpayers in filling up their schedules. I believe that the Government should take early steps to raise the exemption to £200, though, personally, I should like to see it raised to £250.

Mr. NICHOLLS.—I should like to see it raised to £400.

Mr. BLAKELEY.—I personally have no objection to pay income taxation. I wish that I were paying considerably more income tax than I am paying today.

Mr. LAVELLE.—On the honorable member's present salary he would like to pay a higher tax?

Mr. BLAKELEY.—No, but I should like to be paying the present tax on a

salary of £2,000 or £5,000. I urge upon the Government the desirability of adopting the five years' average in assessing the primary producer's income, the increase of the exemption to £200 or £250, and some expedition in the adoption of the new method of taxation, and of one form of income tax schedule for Commonwealth and State.

Sir ROBERT BEST (Kooyong) [8.54].—I agree with what has been said as to the necessity for greater simplicity in the form of the income tax schedule. I go further than some honorable members, and urge that there should be infinitely greater simplicity in the method adopted for arriving at the amount of tax to be paid in respect of any income. I venture to say that there is not an honorable member present who has the remotest idea of what is meant by the mechanical conundrum set forth in the schedule to this Bill. Indeed, the Treasurer has no idea what it means.

Sir JOSEPH COOK.—I certainly have not.

Mr. WEST.—Can the honorable member suggest any better method.

Sir ROBERT BEST.—I can suggest the method adopted by the State Governments. They do not resort to abstruse mathematical problems for the purpose of fixing the amount of tax.

I welcome the appointment of the Taxation Commission. I realize that there are anomalies connected with our system of taxation to which attention should be drawn, and which should be rectified. The Taxation Commission should be greatly assisted in its investigation by the labours of the British Commission, composed of financial and taxation experts. This Commission secured the assistance of the best intellects of the Old Country in arriving at a decision as to the best form of machinery and manner of assessment to recommend for adoption.

Mr. AUSTIN CHAPMAN.—Does the honorable member believe that the Taxation Commission will secure any more information than the Department has already in its possession.

Sir JOSEPH COOK.—I think so.

Sir ROBERT BEST.—I realize that in our present system there are many anomalies which ought to be adjusted, and it is with a view to the rectification of these anomalies that the Commission

has been appointed. Originally, the War-time Profits Tax Bill introduced in this House contained a clause providing for the averaging of profits and losses over a period of years, but that provision was deliberately omitted from two subsequent measures of the same kind which were introduced. On two occasions I fought strongly for the reintroduction of that provision, but it was resisted by the Government of the day, because, it was said, it would involve a dislocation of the finances. It was of no use whatever to direct attention to the fact that the finances of the Mother Country were colossal as compared to those of this small community, and my request for the reintroduction of the provision I have referred to was successfully resisted. The result has been to bring about anomalies which have worked gross injustice.

For one or two years, I also strongly urged greater consideration for the system of taxation at the source, a system which is adopted in the Mother Country, in the State of Victoria, and, to the best of my knowledge, also in the State of New South Wales. There is much to recommend this system of taxation. This is a matter which received very close attention from the expert Commission in the Mother Country to which I have referred. I read a portion of the report of that Commission, and particularly that portion dealing with taxation at the source. The Commission, after taking a great volume of evidence on the subject, and assessing the value of that evidence, came to the conclusion that taxation at the source was the correct system to adopt, as it was just and fair. The system which obtains in Australia, received full consideration; but, after a thorough investigation of the whole subject by this expert Commission, they wound up their report by recommending that the system of taxation at the source, which had obtained in the Mother Country, should be continued. That system is deserving of consideration by the Taxation Commission appointed here, and I hope it will receive it. The objection urged to it here is that we have a graduated tax, with which the system of taxation at the source is inconsistent. Under our system a company pays dividends in cash in the

ordinary way, or bonus shares, and so soon as the cash or shares are received by the taxpayer they are taxed in his hands. They are not taxed in the hands of the company, but only when they are distributed to the shareholders. In that way the income of the shareholder is assessed, and is taxed according to the graduated scale. I submit that taxation at the source is quite consistent with the system of graduated taxation, because it would be quite possible to give credit for the amount paid by the company on behalf of each taxpayer receiving dividends. I hope that this phase of the question will also receive consideration.

As to the Bill before us, the necessity for this taxation is, no doubt, a cause of deep disappointment and regret to all of us, and of bitter resentment to a great many, because it is, to some extent, brought about by the waste and extravagance of the Government in other directions. However, there appears to be no doubt that the majority of honorable members are determined to pass it, so we must submit to the inevitable. But what is the position? Upon the original tax we added 25 per cent. Then we proceeded to add another 30 per cent., and then a super tax of 5 per cent. To-day it is proposed to add still another 5 per cent. That is to say, on to the original tax 70 per cent. will have been added. When we were told that incomes were to be taxed by a super tax of 5 per cent., we innocently believed that it was a tax merely on the original income. But such is not the case. Much more than 5 per cent. is to be added to the income tax payable in order to produce the £600,000 the Treasurer requires. It is practically a tax added to a tax already added to and to a super-tax previously imposed.

Sir JOSEPH COOK.—But still it is 5 per cent.

Sir ROBERT BEST.—But not on the original income.

Mr. BRUCE.—It simply means that the individual will pay 5 per cent. more than he paid last year.

Sir ROBERT BEST.—That is the position. The general idea was that it was merely to be 5 per cent. on the original income tax. This increase of 70 per cent. on the original tax is most regrettable, but I suppose that we must

*Sir Robert Best.*



accept it for the present. Indeed, we have no alternative, but I do so distinctly under strong protest.

Mr. LAZZARINI (Werriwa) [9.4].—I am not concerned so much about the 5 per cent. which is to be added to the income tax. To my mind, the increase is too small in the case of large incomes, which, I think, ought to pay an additional 20 per cent., so that wealth may be called upon to do something which we were told it was to do, and which it ought to have done, in order to help to meet the national obligations. I rise to say a word or two upon the penny-wise-and-pound-foolish principle of maintaining the flat rate of £1 on all wage-earners with an income of £100, and keeping the exemption at £156, with £26 for each child. The burden which this tax represents to-day, with the present high cost of living, and the economic position of the workers, is much greater than a 20 per cent. increase would represent on large incomes. The fundamental principle of income taxation is that each man should pay according to his income, the individual with the biggest income paying the biggest tax; but that principle does not apply to-day. The exemption should be raised to £250, and if it were so graduated that the man with a wife and three or four children could be exempted up to £300, it would be little enough. The deduction of £26 allowable for each child is too small, and should be increased to £50, which would only make it equal to the exemption allowed by the New South Wales State Act.

Sir ROBERT BEST.—I agree with the honorable member in that respect.

Mr. LAZZARINI.—Early in this Parliament we were told that wealth would be made to pay a bigger burden of taxation, and that stern measures were to be taken against profiteers—in fact, they were to be shot—but now we find that the bullet aimed at the profiteers is merely a 5 per cent. increased tax on big incomes, which are increasing all the time. The honorable member for Kooyong (Sir Robert Best) hopes that a Royal Commission will take the incidence of this taxation into its consideration. But that is the trouble with the Federal Parliament to-day. It decides nothing. It is an insult to the intelligence and standing of this House that anything intricate, and requiring the exercise of brain-power, has

to be solved by a Royal Commission, appointed at great expense to the country, the Government assuming no responsibility in any direction. Half the time the people do not realize that they are being put to this extra expense, and that the Government are shelving their responsibility in this way. I have already said that the fundamental principle of the income tax is that a man ought to pay according to his income, but the primary producer of Australia is in a unique position as compared with persons on fixed salaries or in business. Industrial troubles may dislocate a business under taking for a few weeks, but it is very seldom affected by such things as floods, droughts, or bush fires. A commercial man's income may fluctuate a little, but, as a rule, it is fairly steady, and one year's return is a fair criterion of what he will receive year in year out, making allowance, of course, for any extensions. On the other hand, the farmer may devote to his work the highest intelligence and the greatest industry possible, and he may slave, morning, noon, and night, but if the rain does not fall, he has no crop, and if it falls too heavily he may lose the result of all his labour through rust. He may make £2,000 in one year, and may lose £1,500 in the next year. For two years he may do well, but for the following three years he may be crucified and practically compelled to leave his farm. Is it right to make him pay income tax on £2,000 for one year, when he may suffer a loss of £1,500 in the next year?

Sir JOSEPH COOK.—Is this the man on whom the honorable member wishes to place an extra 20 per cent. tax?

Mr. LAZZARINI.—No; I do not class the primary producer among the profiteers. The National Government have taken great care to prevent the primary producer from profiteering, while allowing the middleman to do it. If they refuse to accept the suggestion of honorable members they will increase the burden on the primary producers.

Sir JOSEPH COOK.—But the honorable member did say that he would increase the income tax by 20 per cent.

Mr. LAZZARINI.—Yes; and I go so far as to say that the primary producer who has enjoyed a large income over five years is entitled to pay an extra 20 per

cent. I would say that on any platform. I believe that the old law in New South Wales permitted any person who suffered a loss in one year to set it off against another year's profits.

**Mr. BELL** (Darwin) [9.12].—I am in agreement with the honorable member for Dampier (Mr. Gregory) and others who preceded him, that it would be fairer to relieve a man according to the number of his dependants, rather than exempt the man with the fixed income of £150 a year or less. Every man should pay income tax according to his ability to pay it, and there is no reason why a person with an income of £150 should not be called upon to pay his proper share of the taxation; but when we realize that there are only 371,580 individuals in the Commonwealth who pay income tax—that is, one out of every fourteen persons—it must be admitted that there are many persons with incomes over £150 who are not paying income tax. It may be that many thousands of people are not rendering returns, or that because the exemptions already provided for are so generous they are not called upon to pay the tax.

**Sir JOSEPH COOK**.—It is due to both causes.

**Mr. BELL**.—I do not intend to enlarge upon what has been said by honorable members with regard to the proposed system of assessing incomes over a period of years. Honorable members generally agree that it is the most equitable method to adopt, and I see no reason why it should not apply to business men as well as to farmers. No doubt it is the only just method of assessing a farmer's income. The primary producer appears to have a lot of friends in this Chamber. I am extremely pleased that he has so many, and for that reason all his troubles should be put right in the very near future. I know only too well that the farmer, at the present time, pays taxes several times over, whereas the man in business or the man who derives his income from mortgages, dividends, or Government securities pays only once. There certainly should be a readjustment of the principles of taxation, but I am afraid we are not going to derive much benefit from the report of the Commission which is about to sit and decide as to

the best or fairest method of applying taxation. We have had a number of Commissions, but my experience is that we have not acted upon many of their reports so far. There is not much doubt in any honorable member's mind as to the most fair and equitable way of adjusting taxation. We do not need a Commission to tell us that. I am afraid it is not a question of what is most fair and equitable, but rather a question of expediency with the Government when they have to decide who shall pay the taxes. We had an example of that this afternoon. There is not the least doubt that the reason why the Government decided to exempt amusements, such as picture shows and theatres, from the entertainments tax was that many hundreds of thousands of people would benefit, and that, therefore, the move would be very popular, as compared with the few people that attend athletic sports, cricket matches, and other such gatherings, and who will still have to pay the tax even on 6d. tickets, while tickets up to 3s. at picture shows and theatres will be exempt. I am, therefore, very much afraid that any inquiry we may have, or any report that the Commission may make, will lead us very little further than we are at present. I am not in favour of increased taxation at the present time. I can see no necessity for it. What we want is economy in administration. The honorable member for Kooyong (Sir Robert Best), in his closing remarks said that the Government was guilty of great waste and extravagance. He was opposed to the increase in the income tax, but was afraid that we should have to put up with it for the time being. I cannot view the matter in that way. I will not use the words "waste" and "extravagance," but I am convinced that when we can spend money as we are proposing to do, on such enterprises as were passed last week—without mentioning any names—it is not necessary to impose increased taxation to fulfil those so-called obligations. For these reasons I am compelled to oppose the increase in the income tax by 5 per cent. at the present time.

**Mr. AUSTIN CHAPMAN** (Eden-Monaro) [9.19].—I look upon this proposal as simply a stop gap.

**Sir JOSEPH COOK**.—Hear, hear! That is all it is.



Mr. AUSTIN CHAPMAN.—A stop-gap due to the great appetite of the Treasurer (Sir Joseph Cook) for coin. All legislation seems to be of a stop gap character at present, and the Income Tax Bill does not differ from other legislation in that respect. Anything that takes money out of one's pocket is unpalatable, but what I object to is that we carry on week after week, month after month, and year after year in this manner. Why cannot we have a sensible proposal for income taxation? We have a Treasurer of great experience, politically and in every other way, in charge of the exchequer, and yet he cannot tell us what our income tax system means. Not one member in this Chamber can explain it.

Mr. BLAKELEY.—It is purely an accountant's job.

Mr. AUSTIN CHAPMAN.—Why should it be? Why have this system of curves? Why not adopt a simple proposal, so that people may know what it means?

Mr. GREGORY.—An ordinary individual ought to be able to know.

Mr. AUSTIN CHAPMAN.—That is correct. The Government are appointing a Commission, which, after all, can give us no new information, although we are told that the British Income Tax Commission collected useful information and made very valuable suggestions. We have had Commission after Commission at considerable expense, but nothing is done with their reports, and I often wonder where they go. The report of this Commission will meet the same fate, no matter what they do. We have all the information, and if we have not we have officers who ought to be able to give it to us. If they cannot, they are not fit for their posts.

Mr. JOWETT.—We have the information.

Mr. AUSTIN CHAPMAN.—And we have the men who can give it to us. Why could not the Treasurer consult the trusted officers of the Taxation Department and give us a common-sense measure that we, and the man outside who has to pay, could understand?

Mr. GREGORY.—Would it not be better to have a Finance Committee in the Chamber, able to call evidence and report to the House itself?

Mr. AUSTIN CHAPMAN.—It would be, but it would be still better for the Treasurer to sit round a table with the officers of the Taxation Department, so that together they might frame a system that the House could understand, and that would be acceptable to the people of Australia. Everybody rails at the officers. That is an unfair method of doing things; for, after all, the officers have a very ticklish and responsible position, requiring ability and courage. They have to analyze very difficult accounts. The information they receive is very confidential, and they know everybody's affairs. I doubt if many of them could tell us offhand what the curve business means. The officers do remarkably well. That is my experience, at any rate, and the absolute faith that the people have in them is complimentary and striking. We had a practical Committee of the officers of the Federal and State Departments meeting in conference. That was much better than the proposed Royal Commission. They not only went into these questions, but practically agreed on a line of policy, and if my memory serves me right, a Bill was actually prepared. What has become of it? Has it gone to the limbo where all these reports go? Nothing has been done. One of the things they suggested was that amalgamation should take place. What has become of their suggestions?

Sir JOSEPH COOK.—Turned down by the States.

Mr. AUSTIN CHAPMAN.—How could the Bill be turned down by the States if responsible Ministers in this Parliament brought it forward and said, "We are going to pass it into law"? It is very easy for the States to blame the Commonwealth, and the Commonwealth to blame the States, but until some determined effort is made we shall never get any further forward.

Sir JOSEPH COOK.—The last scheme was turned down principally, I think, by New South Wales.

Mr. AUSTIN CHAPMAN.—New South Wales will be in the same position with regard to the Royal Commission, which will tell us nothing more than the conference of officials told us.

Sir JOSEPH COOK.—We cannot put a Bill through defying the States.

Mr. AUSTIN CHAPMAN. — Why cannot the Treasurer get into conference with the State Treasurers, who are themselves complaining about duplication? What do we want two different Taxation Departments for?

Sir JOSEPH COOK.—For the first time in the history of the whole thing we have reached an agreement now, so far.

Mr. AUSTIN CHAPMAN.—I believe the trouble is that the States say they ought to collect the whole lot, because they can do the work better and cheaper than the Commonwealth. The Commonwealth Department has to collect the entertainments tax, and a number of other taxes which cost a good deal of money to bring in, but the States do not take that fact into consideration.

Sir JOSEPH COOK.—I will tell the honorable member directly what the real trouble was, in my opinion. It is very simple.

Mr. AUSTIN CHAPMAN.—I am glad to hear it. It may be simple to the right honorable gentleman, but before he can elucidate the point, he will probably get the information from the very officers who, in my opinion, ought to be able to give it direct to the House. Why should we not have the information given to us when a Bill like this is brought down? There are many things I should like to do in this Bill, but what is the use of putting a spoke in here and a spoke in there, seeing that, after all, the Bill is a stop-gap? It is of no use attempting to put in any of the different proposals which have been made to-night, some of which I am in favour of. I represent a community of farmers and graziers, and I maintain that the farmers and graziers are entitled to an average system of incomes, but why should not the business men have it too?

Sir JOSEPH COOK.—They are just as much entitled to it as the others.

Mr. AUSTIN CHAPMAN.—A system of averages has been found to be the best in countries which have had a long experience of income taxation. We are only novices at it. Why not apply the average system to all men who have to pay income tax? The exemption has been spoken of, but the difficulty there is that it opens the door to let a number of people out. According to statistics, and the figures quoted by the last speaker

(Mr. Pell), a lot of people do not pay income tax, but every day in the papers we see that the officers are on their tracks. Fines of £20, £50, and £100 are recorded, but the whole system is unsatisfactory. I believe the income tax is the fairest of all taxes. We cannot have anything fairer, so long as its incidence is right, and so long as we have a decent Act. A better Bill than this could be framed and put into force by school-boys, to say nothing of a Parliament. Why not have common-sense legislation on an equitable basis that we can understand? I am in favour of having one Income Tax Department, and that should be the Federal. After all, we know the time is coming when these duplications will have to cease. What a retrograde step it would be to go back to the rule of the States! The change must come, because we all know that we cannot go on indefinitely with seven different Governments, and seven different Governors. It is only a question of time. Why cannot we adopt the best of the seven systems? Instead of bringing in this stop-gap legislation, why did not the Treasurer have the courage to say to his officers, "We are going to alter the income tax system. Let us bring down a Bill on proper lines that the people and Parliament can understand, and that I myself can understand and explain"?

Mr. ROBERT COOK.—Is that gun loaded?

Mr. AUSTIN CHAPMAN.—I am quite prepared to "dish into" this Government when I think they deserve it, but before I go too far, I have to consider the awful alternative, which appalls me. I am in the unfortunate position of being obliged to vote for this Bill to support the Government. They are on the right track, because they want more money. We must pay what we owe, and the income tax is a good way to obtain a large part of what we need. The people are pleased that the increase was only 5 per cent. Most of them expected 10 per cent. at least, and it was a pleasant surprise to many business men and others that I have spoken to to find the increase so moderate. I guarantee that the honorable member for East Sydney (Mr. West), who, we know, is a financial expert, cannot explain the curve system to me. He does not know where he is on it.



I appeal to the Treasurer (Sir Joseph Cook) to drop these Commissions. I believe the Taxation Commission is a very good one; but if I required suggestions I would rather appeal to men who are dealing with such matters every day.

Mr. GREGORY.—The Department says that this Bill is necessary.

Mr. AUSTIN CHAPMAN.—Because it is necessary to raise money.

Sir JOSEPH COOK.—And if we do not get it in this way, we must find it somewhere else.

Mr. AUSTIN CHAPMAN.—We must find the money, and those with large incomes should be prepared to find it.

Mr. GREGORY.—Make the taxation equitable

Mr. AUSTIN CHAPMAN.—Who is to say what is equitable? Those with big incomes should be made to pay; and when we get above the living line, what does it matter at what rate the income tax is levied if the taxation is justified? The time has arrived when all our taxation should be put on a fair basis. At present, the principles of our income taxation are neither satisfactory nor understandable, and everybody laughs at the whole thing.

Mr. WEST.—You may laugh, but you have to pay!

Mr. AUSTIN CHAPMAN.—But it would be more satisfactory if we understood the principles on which the taxation was levied. People grumble because, perhaps, they think that the money so gathered is wasted; but who is to decide what is waste? What, for instance, does the honorable member for Dampier (Mr. Gregory) say about the expenditure at Canberra?

Mr. GREGORY.—It is wasted, of course.

Mr. AUSTIN CHAPMAN.—Then what about that foolish measure, which was rushed through so cleverly by the Government, to provide silos in Western Australia? Perhaps the best way to settle the question is to ask whether the proposed expenditure will pay; and I am just as confident that the expenditure at Canberra will pay as I am that the silos will not.

Sir JOSEPH COOK.—Remember, a number of people denounced the grant to Tasmania as waste.

Mr. AUSTIN CHAPMAN.—Those denunciations are nothing to what the Treasurer will hear in the future, though there should be no more trouble about Tasmania, as it is understood that a syndicate will be formed to purchase the island. As I say, I am in the unfortunate position of having to vote for this stop-gap measure? I believe we could alter it as to make it more acceptable, but to deal with the question of taxation in a piecemeal way is hopeless. We may have some result from the Commission, though I am afraid it will meet the same fate as other Commissions.

Sir JOSEPH COOK.—I do not think so, for I believe we are on the right track.

Mr. AUSTIN CHAPMAN.—I hope we are. I regret that the Treasurer did not call a round-table conference with his principal officers, so that he might have had some common-sense proposals to place before us. Why should we go on passing legislation with which no one is satisfied, and which everybody regards as absurd?

Mr. WEST (East Sydney) [9.35].—The honorable member for Eden-Monaro (Mr. Austin Chapman) says that no one is satisfied with our income tax system; but did any one ever know a taxpayer who was satisfied? It is necessary to introduce a Bill of this character every year in order that the income tax may be collected, hence the measure before us. I must say, however, that I do not think the Treasurer (Sir Joseph Cook) has taken much interest in the question of taxation. He knew that he had to do something, and he has introduced a measure which he thinks will prove plausible to some people at any rate, but the result can only be to create widespread discontent. If the Treasurer were really in earnest, he would make himself a student of taxation principles, and adopt the best means of removing the incubus on Australia. There is one point to which I would like to refer, namely, the tax imposed on the incomes of public companies. Some years ago there was some trouble in Sydney in connexion with this matter, and it was decided that public companies should pay at the rate of 2s. 6d. on all undistributed profits. My opinion is that the late Commissioner, who was then in office, had no idea of the extent to which

proprietary and part proprietary businesses were being turned into public companies in order to take advantage of that rate of 2s. 6d. What these companies are doing is to take the undistributed profit of one year, and with it to water their capital, and this to their great pecuniary advantage. So widespread is this practice that I doubt whether there is one company which has not doubled its capital, and which should pay a much larger rate than 2s. 6d. On more than one occasion I have suggested that in this regard we should follow the example set by Great Britain when large sums of loan money were in circulation during the war.

MR. AUSTIN CHAPMAN.—Why did you not raise your voice about it?

MR. WEST.—I did, but, unfortunately, the press of Australia, in the interest of public companies, take care that no words of mine shall go beyond this Chamber.

The honorable member who has just interjected has advocated one uniform system of collecting this taxation, and that suggestion has been made frequently. It has not been acted upon simply because during the last few years we have had no one in the position of Treasurer strong-minded or courageous enough to deal with the matter; indeed, if there had been a Treasurer desirous of doing so, he would not have obtained the support of his Government. In order to have one uniform system we must either take away from the States the right of direct taxation, or out of the income tax collected return to each State a *per capita* amount. This is an arrangement that could be easily made, with the result of rendering our taxation much more equitable than at present.

MR. AUSTIN CHAPMAN.—Will you pledge yourself to do that when you are Treasurer?

MR. WEST.—I will if I have the opportunity. We must remember that, although this is a National Parliament, there are many honorable members who have not sufficient national spirit to fight the State-righters in the State Parliaments, and who are willing to do an injustice to the people of Australia in order to keep a Nationalist Government in power. When an appeal was made to the country in 1910, there was a desire on the part of the Fisher Government and the party behind it to get rid of the "Braddon Blot," which had been in-

serted in our Constitution in the first instance merely as a temporary expedient. The late Lord Forrest favoured achieving this end by agreeing to refund to the States 25s. per head out of our Customs and Excise duties in perpetuity, whereas the Fisher Government desired to limit that payment to a period of ten years, and this was approved at the elections. At a later stage Mr. Watt, who was then Treasurer in the present Government, attended a Conference of State Premiers, at which he proposed that the States should be annually deprived of 2s. 6d. *per capita* until the amount being paid at present had entirely disappeared. I was absolutely convinced of the late Treasurer's sincerity in this matter, and was firmly of opinion that his proposal would have been adopted. But the Government had not the courage of their convictions, and just before the last election, the Prime Minister (Mr. Hughes) publicly announced that he was not in agreement with his own Treasurer upon this matter. Consequently the reduction of 2s. 6d. *per capita* did not materialize. My own idea is that the National Government should have exclusive control of the revenue derived from indirect taxation in the form of Customs and Excise duties. But nobody upon the Treasury benches has the courage to give effect to that programme. Ministers think more of their political skins than they do of the adoption of right principles.

To-night, my Leader, the honorable member for Yarra (Mr. Tudor) invited our attention to the question of exemptions. But his appeal fell upon deaf ears. Very few members indeed exhibited the slightest interest in his remarks. Most of them walked out of the chamber, whilst the Treasurer, with a bland smile, endeavoured to induce us to pass the Bill. The honorable member for Yarra stressed what must be perfectly obvious to every man who gives the matter a moment's consideration, namely, that if £156 was a fair general exemption in 1911, and if £13 was a proper deduction to allow for children under the age of sixteen years, those amounts need to be considerably increased to-day owing to the greatly reduced purchasing power of the sovereign. I need hardly remind honorable members that Great Britain has adopted exemptions very much larger than are our



own. There this question has been very closely investigated by a Royal Commission, which in its report says—

Our proposals will have the following results:—

No wholly earned income will pay tax if it does not exceed—

£150 in the case of a bachelor.

£250 in the case of a married couple without children.

£350 in the case of a married couple with three children.

No wholly earned income will be charged at more than half the standard rate of tax if it does not exceed—

£400 in the case of a bachelor.

£500 in the case of a married couple without children.

£600 in the case of a married couple with three children.

No wholly invested income will pay tax if it does not exceed—

£135 in the case of a bachelor

£235 in the case of a married couple without children.

£315 in the case of a married couple with three children.

No wholly invested income will be charged at more than half the standard rate of tax if it does not exceed—

£360 in the case of a bachelor.

£450 in the case of a married couple without children.

£540 in the case of a married couple with three children.

Then, examples are given as to how these payments pan out. That Commission was composed of men who possess an intimate knowledge of income tax matters—a much greater knowledge than we can possibly possess, seeing that the first British income tax was imposed as far back as 1842.

The income tax was originally imposed in Great Britain as a war tax, and, although it has never been entirely repealed, it has been altered from time to time to meet the circumstances of the Treasury. At times the rate of tax was small; at other times, when the need for revenue was greater, as for instance during the period of the Boer War, a considerable sum was raised by this means, of paying the cost of the war. The Government would be justified in increasing the exemption. Unfortunately, the matter of imposing taxation is entirely within the hands of the Government. That is an old constitutional practice, established no doubt as a safeguard against any crank reducing the amount of tax, and thus leaving the Government with insufficient funds with which to carry on the administration. A wise Government, however, will raise

only sufficient money as is necessary to carry on the affairs of State. A Government which raises more money than is necessary shows that it does not understand the principles of finance, because it is extracting more money from the people, by way of taxation, than is justified. That policy is not conducive to the well-being of the country.

For some time past honorable members have been asking the Treasurer to explain the curves of the second and third degrees. These curves were brought under the notice of the British Taxation Commission, and also an American Commission. Both admitted that this is the most just system of levying taxation. Under the system first adopted by this Parliament, and still in operation in the States, a man is taxed, say, eightpence in the £1 on an income of £700, and if his income is a few pounds in excess of that amount the rate of tax is increased a penny. That system is not just. The British Commission admitted that, although the curves were not understood by the ordinary citizen they worked out with absolute accuracy and justice to the taxpayer. They represent the most equitable system of arriving at the proper amount of taxation to be paid by each individual.

Reverting to the matter of exemptions. In the United States there is a general exemption of £500. On incomes from £500 to £1,000 the rate is increased on a gradual incline. On incomes above £1,000 the incline becomes steeper, and on incomes above £5,000 the rates rise very suddenly. That is a good way of levying taxation. The citizen should be allowed an income free from taxation—except Customs and Excise duties—sufficient to buy for himself and family the necessaries of life. I notice that the Minister for Trade and Customs (Mr. Greene) told a deputation, a few days ago, that the present tariff is designed for revenue-producing purposes rather than as a protective medium. That affords me a further justification for endeavouring to get the amount of exemption increased.

Sir JOSEPH COOK.—The honorable member has tired out everybody. Nobody is listening to him.

Mr. WEST.—I am sorry that the Committee displays such a lack of intelligence. Taxation is the most serious matter with which Parliament has to deal,

and yet very little attention is paid to the subject. That fact emphasizes the necessity for a change of Government. Will the Treasurer agree to report progress?

Sir JOSEPH COOK.—We shall treat the honorable member as he treats everybody else. No man in the House has less consideration for others than he has.

Mr. WEST.—No honorable member representing a big constituency speaks less frequently than I do.

Sir JOSEPH COOK.—Here is a man who has been talking for a solid half-hour, and now asks for an adjournment so that he may continue.

Mr. WEST.—I may tell the Treasurer that only a man of ability and knowledge can address the House for half-an-hour.

Sir JOSEPH COOK.—After that you may have the adjournment.

Progress reported.

House adjourned at 10.11 p.m.











# Members of the House of Representatives.

*Speaker*—The Honorable Sir Elliot Johnson, K.C.M.G.

*Chairman of Committees*—The Honorable John Moore Chanter.

Anstey, Frank ..	Bourke (V.)	Hughes, Right Hon. William Bendigo (V.)
Binson, Llewelyn ..	Wilmot (T.)	Morris, P.C., K.C.
Bird, Hon. Frederick Herbert (Q.)		Jackson, David Sydney .. Bass (T.)
William ..		Johnson, Hon. Sir Elliot, Lang (N.S.W.)
Bayley, James Garfield ..	Oxley (Q.)	K.C.M.G.
Bell, George John, C.M.G.,	Darwin (T.)	Jowett, Edmund .. Grampians (V.)
D.S.O.		Kerby, Edw n Thomas Ballarat (V.)
Best, Hon. Sir Robert Kooyong (V.)		John ..
Wallace, K.C.M.G.		Lamond, Hector .. Illawarra (N.S.W.)
Blakeley, Arthur ..	Darling (N.S.W.)	Lavelle, Thomas James .. Calare (N.S.W.)
Blundell, Hon. Reginald Adelaide (S.A.)		Lazzarini, Hubert Peter .. Werriwa (N.S.W.)
Pole		Lister, John Henry .. Corio (V.)
Bowden, Eric Kendall ..	Nepean (N.S.W.)	Livingston, John .. Barker (S.A.)
Brennan, Frank ..	Batman (V.)	Mackay, George Hugh .. Li ley (Q.)
Bruce, Stanley Melbourne, Flinders (V.)		Mahon Hon Hugh .. Kalgoorlie (W.A.)
M.C.		Mahony, William George .. Dalley (N.S.W.)
Burchell, Reginald John, Fremantle (W.A.)		Makin, Norman John Hindmarsh (S.A.)
M.C.		Oswald
Cameron Donald Charles, Brisbane (Q.)		Maloney, William .. Melbourne (V.)
C.M.G., D.S.O.		Marks, Walter Moffitt .. Wentworth (N.S.W.)
Catts, James Howard ..	Cook (N.S.W.)	Marr, Charles William Parkes (N.S.W.)
Chanter, Hon. John Riverina (N.S.W.)		Clanan, D.S.O., M.C.
Moore		Mathews, James .. Melbourne Ports (V.)
Chapman, Hon Austin ..	Eden-Monaro (N.S.W.)	Maxwell, George Arnot .. Fawkner (V.)
		McDonald, Hon. Charles .. Kennedy (Q.)
Charlton, Matthew † ..	Hunter (N.S.W.)	McGrath, David Charles .. Ballarat (V.)
Considine, Michael Patrick Barrier (N.S.W.)		McWilliams, William James Franklin (T.)
Cook, Right Hon. Sir Parramatta (N.S.W.)		Moloney, Parker John .. Hume (N.S.W.)
Joseph, P.C G.C.M.G.		Nicholls, Samuel Robert .. Macquarie (N.S.W.)
Cook, Robert ..	Indi (V.)	Page, Earle Christmas Cowper (N.S.W.)
Corser, Edward Bernard Wide Bay (Q.)		Grafton
Cresset		Page, Hon. James .. Maranoa (Q.)
Cunningham, Lucien Gwydir (N.S.W.)		Paynton, Hon. Alexander .. Grey (S.A.)
Lawrence		Prowse, John Henry .. Swan (W.A.)
Fenton, James Edward ..	Maribyrnong (V.)	Riley, Edward .. South Sydney (N.S.W.)
Fleming, William Mont-Robertson (N.S.W.)		Rodgers, Hon. Arthur Stan-Wannon (V.)
gomerie		islaus
Foster, Hon. Richard Wakefield (S.A.)		Ryan, Hon. Thomas West Sydney
Witty		Joseph, K.C. (N.S.W.)
Fowler, Hon. James Perth (W.A.)		Ryrie, Sir Granville de North Sydney
Mackinnon		Laune, K.C.M.G., C.B. (N.S.W.)
Francis, Frederick Henry Henty (V.)		Smith, Hon. William Denison (T.)
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Gibson, William Gerrand Corangamite (V.)		Stewart, Percy Gerald .. Wimmera (V.)
Greene, Hon. Walter Richmond (N.S.W.)		Story, William Harrison .. Boothby (S.A.)
Massy		Tudor, Hon. Frank Gwynne Yarra (V.)
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Groom, Hon. Littleton Darling Downs (Q.)		Watt, Right Hon. William Balaclava (V.)
Ernest		Alexander, P.C.
Hay, Alexander ..	New England (N.S.W.)	West, John Edward .. East Sydney (N.S.W.)
Higgs, Hon. William Guy Capricornia (Q.)		Wienholt, Arnold .. Moreton (Q.)
Hill, William Caldwell ..	Echuca (V.)	Wise, Hon. George Henry Gippsland (V.)

1. Sworn 27th February, 1920.——2. Sworn 3rd March, 1920.——3. Appointed Temporary Chairman of Committees, 4th March 1920.——4. Made affirmation, 5th March, 1920.——5. Election declared void, 2nd June, 1920.——† Sworn 11th May 1920.——6. Elected 10th July, 1920. Sworn 21st July, 1920.

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